



Control Number: 49190



Item Number: 1

Addendum StartPage: 0



Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity (CCN)

Pursuant to 16 Texas Administrative Code (TAC) Chapter 24, Substantive Rules Applicable to Water and Sewer Service Providers, Subchapter G Certificates of Convenience and Necessity

CCN Application Instructions

- I. **COMPLETE:** In order for the Commission to find the application sufficient for filing, you should adhere to the following.
 - i. Answer every question and submit all required attachments.
 - ii. Use attachments or additional pages if needed to answer any question. If you use attachments or additional pages, reference their inclusion in the form.
 - iii. Provide all mapping information as detailed in Part F: Mapping & Affidavits.
 - iv. Provide any other necessary approvals from the Texas Commission on Environmental Quality (TCEQ), or evidence that a request for approval is being sought at the time of filing with the Commission.
- II. **FILE:** Seven (7) copies of the completed application with numbered attachments. One copy should be filed with no permanent binding, staples, tabs, or separators; and 7 copies of the portable electronic storage medium containing the digital mapping data.

SEND TO: Public Utility Commission of Texas, Attention: Filing Clerk, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326 (NOTE: Electronic documents may be sent in advance of the paper copy; however, they will not be processed and added to the Commission's on-line Interchange until the paper copy is received and file-stamped in Central Records.)
- III. The application will be assigned a docket number, and an administrative law judge (ALJ) will issue an order requiring Commission Staff to file a recommendation on whether the application is sufficient. The ALJ will issue an order after Staff's recommendation has been filed:
 - i. **DEFICIENT (Administratively Incomplete):** Applicant will be ordered to provide information to cure the deficiencies by a certain date (usually 30 days from ALJ's order). *Application is not accepted for filing.*
 - ii. **SUFFICIENT (Administratively Complete):** Applicant will be ordered by the ALJ to give appropriate notice of the application using the notice prepared by Commission Staff. *Application is accepted for filing.*
- IV. Once the Applicant issues notice, a copy of the actual notice sent (including any map) and an affidavit attesting to notice should be filed in the docket assigned to the application. Recipients of notice may choose to take one of the following actions:
 - i. **HEARING ON THE MERITS:** an affected party may request a hearing on the application. The request must be made within 30 days of notice. If this occurs, the application may be referred to the State Office of Administrative Hearings (SOAH) to complete this request.
 - ii. **LANDOWNER OPT-OUT:** A landowner owning a qualifying tract of land (25+ acres) may request to have their land removed from the requested area. The Applicant will be requested to amend its application and file new mapping information to remove the landowner's tract of land, in conformity with this request.
- V. **PROCEDURAL SCHEDULE:** Following the issuance of notice and the filing of proof of notice in step 4, the application will be granted a procedural schedule for final processing. During this time the Applicant must respond to hearing requests, landowner opt-out requests, and requests for information (RFI). The Applicant will be requested to provide written consent to the proposed maps, certificates, and tariff (if applicable) once all other requests have been resolved.
- VI. **FINAL RECOMMENDATION:** After receiving all required documents from the Applicant, Staff will file a recommendation on the CCN request. The ALJ will issue a final order after Staff's recommendation is filed.

FAQ:

Who can use this form?

Any retail public utility that provides or intends to provide retail water or wastewater utility service in Texas.

Who is required to use this form?

A retail public utility that is an investor owned utility (IOU) or a water supply corporation (WSC) must use this form to obtain or amend a CCN prior to providing retail water or sewer utility service in the requested area.

What is the purpose of the application?

A CCN Applicant is required to demonstrate financial, managerial, and technical (FMT) capability to provide continuous and adequate service to any requested area. The questions in the application are structured to support an Applicant's FMT capabilities, consistent with the regulatory requirements.

RECEIVED
2019 FEB -7 PM 4:29
PUBLIC UTILITY COMMISSION
FILING CLERK

1. 2. 3.

Application Summary

Applicant: Valley Ranch Municipal Utility District No. 1

CCN No. to be amended: _____

or ☐ Obtain NEW CCN ☐ Water ☒ Sewer

County(ies) affected by this application: Montgomery

Dual CCN requested with: _____

CCN No.: _____ (name of retail public utility) ☐ Portion or ☐ All of requested area

Decertification of CCN for: Porter Municipal Utility District

CCN No.: 20573 (name of retail public utility) ☒ Portion or ☐ All of requested area

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Please mark the items included in this filing

<input type="checkbox"/> Partnership Agreement	Part A: Question 4
<input type="checkbox"/> Articles of Incorporation and By-Laws (WSC)	Part A: Question 4
<input type="checkbox"/> Certificate of Account Status	Part A: Question 4
<input checked="" type="checkbox"/> Franchise, Permit, or Consent letter	Part B: Question 7
<input type="checkbox"/> Existing Infrastructure Map	Part B: Question 8
<input type="checkbox"/> Customer Requests For Service in requested area	Part B: Question 9
<input type="checkbox"/> Population Growth Report or Market Study	Part B: Question 10
<input type="checkbox"/> TCEQ Engineering Approvals	Part B: Question 11
<input type="checkbox"/> Requests & Responses For Service to ½ mile utility providers	Part B: Question 12 B
<input type="checkbox"/> Economic Feasibility (alternative provider) Statement	Part B: Question 12 C
<input type="checkbox"/> Alternative Provider Analysis	Part B: Question 12.D
<input checked="" type="checkbox"/> Enforcement Action Correspondence	Part C: Question 16
<input checked="" type="checkbox"/> TCEQ Compliance Correspondence	Part D: Question 20
<input type="checkbox"/> Purchased Water Supply or Treatment Agreement	Part D: Question 23
<input type="checkbox"/> Rate Study (new market entrant)	Part E: Question 28
<input checked="" type="checkbox"/> Tariff/Rate Schedule	Part E: Question 29
<input checked="" type="checkbox"/> Financial Audit	Part E: Question 30
<input type="checkbox"/> Application Attachment A & B	Part E: Question 30
<input type="checkbox"/> Capital Improvement Plan	Part E: Question 30
<input type="checkbox"/> Disclosure of Affiliated Interests	Part E: Question 31
<input checked="" type="checkbox"/> Detailed (large scale) Map	Part F: Question 32
<input checked="" type="checkbox"/> General Location (small scale) Map	Part F: Question 32
<input checked="" type="checkbox"/> Digital Mapping Data	Part F: Question 32
<input checked="" type="checkbox"/> Signed & Notarized Affidavit	Page 12

Part A: Applicant Information

1. A. Name: Valley Ranch Municipal Utility District No. 1
(individual, corporation, or other legal entity)
☐ Individual ☐ Corporation ☐ WSC ☒ Other: District
- B. Mailing Address: 3200 Southwest Freeway, Suite 2600
Houston, TX 77027
- Phone No.: (713) 860-6400 Email: _____
- C. Contact Person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.
- Name: Emily W. Rogers Title: Attorney
- Mailing Address: 3711 S. MoPac Expressway, Bld. 1, Ste. 300, Austin, TX 78746
- Phone No.: (512) 472-8021 Email: erogers@bickerstaff.com

2. If the Applicant is someone other than a municipality, is the Applicant currently paid in full on the Regulatory Assessment Fees (RAF) remitted to the TCEQ?

☒ Yes ☐ No ☐ N/A

3. If the Applicant is an Investor Owned Utility (IOU), is the Applicant current on Annual Report filings with the Commission?

☐ Yes ☐ No If no, please state the last date an Annual Report was filed: _____

4. The legal status of the Applicant is:

- ☐ Individual or sole proprietorship
- ☐ Partnership or limited partnership (*attach* Partnership agreement)
- ☐ Corporation: Charter number (recorded with the Texas Secretary of State): _____
- ☐ Non-profit, member-owned, member controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]
Charter number (as recorded with the Texas Secretary of State): _____
- ☐ Articles of Incorporation and By-Laws established (*attach*)
- ☐ Municipally-owned utility
- ☒ District (MUD, SUD, WCID, FWSD, PUD, etc.)
- ☐ County
- ☐ Affected County (a county to which Subchapter B, Chapter 232, Local Government Code, applies)
- ☐ Other (please explain): _____

5. If the Applicant operates under an assumed name (i.e., any d/b/a), provide the name below:

Name: _____

Part B: Requested Area Information

6. Provide details on the existing or expected land use in the requested area, including details on requested actions such as dual certification or decertification of service area.

The land uses within the requested area are residential, commercial, and institutional (schools). See Attachment 1 for overview of request.

7. The requested area (check all applicable):

☒ Currently receives service from the Applicant ☐ Is being developed with no current customers

☐ Overlaps or is within municipal boundaries ☒ Overlaps or is within district boundaries

Municipality: _____ District: Valley Ranch MUD, possibly Porter MUD, and Porter SUD

Provide a copy of any franchise, permit, or consent granted by the city or district. If not available please explain:

Valley Ranch MUD is the applicant. See Attachment 2 for Porter MUD's consent resolution. Porter SUD does not provide wastewater service, and Valley Ranch MUD is already providing retail sewer service to the requested area within Valley Ranch MUD's district boundaries, which is currently certificated to Porter MUD. Additionally, Porter SUD provides wholesale water service to Valley Ranch MUD. No additional consent is required.

8. Describe the circumstances (economic, environmental, etc.) driving the need for service in the requested area:

The development within Valley Ranch MUD is a master-planned community that includes residential and commercial development. The area also includes two schools, and a future medical district. Retail sewer service is already being provided by Valley Ranch MUD to the requested area within Valley Ranch MUD's district boundaries. Valley Ranch MUD has also received two requests for sewer service from the Signorelli Company. See Attachment 1 for additional information.

9. Has the Applicant received any requests for service within the requested area?

☒ Yes* ☐ No *Attach copies of all applicable requests for service and show locations on a map

10. Is there existing or anticipated growth in the requested area?

☒ Yes* ☐ No *Attach copies of any reports and market studies supporting growth

11. A. Will construction of any facilities be necessary to provide service to the requested area?

☒ Yes* ☐ No *Attach copies of TCEQ approval letters

B. Date Plans & Specifications or Discharge Permit App. submitted to TCEQ: N/A

C. Summarize an estimated timeline for construction for any required facilities to serve the requested area:

The extension or expansion of Valley Ranch MUD's existing wastewater system will occur as continued development occurs within the district.

D. Describe the source and availability of funds for any required facilities to serve the requested area:

Extensions or expansions of the district's system will be funded by the developer, and subject to any reimbursement by the district to the developer upon the issuance of any bonds.

Note: Failure to provide applicable TCEQ construction or permit approvals, or evidence showing that the construction or permit approval has been filed with the TCEQ may result in the delay or possible dismissal of the application.

12. A. If construction of a physically separate water or sewer system is necessary, provide a list of all retail public water and/or sewer utilities within one half mile from the outer boundary of the requested area below:

N/A

B. Did the Applicant request service from each of the above water or sewer utilities?

☐ Yes*

☐ No

*Attach copies of written requests and copies of the written response

C. Attach a statement or provide documentation explaining why it is not economically feasible to obtain retail service from the water or sewer retail public utilities listed above.

D. If a neighboring retail public utility agreed to provide service to the requested area, attach documentation addressing the following information:

- (A) A description of the type of service that the neighboring retail public utility is willing to provide and comparison with service the applicant is proposing;
- (B) An analysis of all necessary costs for constructing, operating, and maintaining the new facilities for at least the first five years of operations, including such items as taxes and insurance; and
- (C) An analysis of all necessary costs for acquiring and continuing to receive service from the neighboring retail public utility for at least the first five years of operations.

13. Explain the effect of granting the CCN request on the Applicant, any retail public utility of the same kind serving in the proximate area, and any landowners in the requested area. The statement should address, but is not limited to, regionalization, compliance, and economic effects.

There will be no affect on the Applicant because the Applicant has been and is currently providing retail sewer service to the customers in the requested area. The request does not change the service that is being provided. There will be no effect on other retail utilities serving in the proximate area. Porter MUD served as the operator of the Applicant's wastewater treatment plant, but notified the Applicant that it would cease providing the service on March 1, 2018. Additionally, Porter MUD has consented to the decertification of the area. Porter SUD does not provide sewer service. It provides wholesale water to the Applicant and will continue to do so. This application does not change that relationship.

Part C: CCN Obtain or Amend Criteria Considerations

14. Describe the anticipated impact and changes in the quality of retail utility service for the requested area:

There will be no impact or changes to the quality of retail utility service for the requested area. Valley Ranch MUD has been and will continue to be the retail provider for the requested area and will provide the same quality of retail utility service after the area is certificated to Valley Ranch MUD as it does now.

15. Describe the experience and qualifications of the Applicant in providing continuous and adequate retail service:

Valley Ranch MUD has contracted with Inframark (formally Severn Trent) to provide operate and maintain the MUD's wastewater treatment and collection system, and to provide billing and customer service support. Attachment 3 is the agreement with Inframark. Attachment 4 is the list of certified operators for the Valley Ranch wastewater treatment plant and collection system.

16. Has the Applicant been under an enforcement action by the Commission, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG), or the Environmental Protection Agency (EPA) in the past five (5) years for non-compliance with rules, orders, or state statutes?

☒ Yes* ☐ No

*Attach copies of any correspondence with the applicable regulatory agency concerning any enforcement actions, and attach a description of any actions or efforts the Applicant has taken to comply with these requirements.

17. Explain how the environmental integrity of the land will or will not be impacted or disrupted as a result of granting the CCN as requested:

The Applicant is already providing sewer service to the requested area within the Applicant's district boundaries, so there will be no effect on the environmental integrity of the land with the granting of this application.

18. Has the Applicant made efforts to extend retail water or sewer utility service to any economically distressed area located within the requested area?

There are no economically distressed areas located in the requested area.

19. List all neighboring water or sewer retail public utilities, cities, districts (including ground water conservation districts), counties, or other political subdivisions (including river authorities) providing the same service located within two (2) miles from the outer boundary of the requested area:

Porter MUD, White Oaks Development Inc., New Caney MUD, Porter SUD (water service only), Crystal Springs Water Co. Inc.

Part D: TCEQ Public Water System or Sewer (Wastewater) Information

20. A. Complete the following for all Public Water Systems (PWS) associated with the Applicant's CCN:

TCEQ PWS ID:	Name of PWS:	Date of TCEQ inspection*:	Subdivisions served:

*Attach evidence of compliance with TCEQ for each PWS

- B. Complete the following for all TCEQ Water Quality (WQ) discharge permits associated with the Applicant's CCN:

TCEQ Discharge Permit No:	Date Permit expires:	Date of TCEQ inspection*:	Subdivisions served:
WQ- 0014597001	6/1/2022		Valley Ranch
WQ-			
WQ-			
WQ-			

*Attach evidence of compliance with TCEQ for each Discharge Permit

- C. The requested CCN service area will be served via: PWS ID: WQ - 0014597001

21. List the number of existing connections for the PWS & Discharge Permit indicated above (Question 20. C.):

Water				Sewer	
	Non-metered		2"	936	Residential
	5/8" or 3/4"		3"	7	Commercial
	1"		4"	0	Industrial
	1 1/2"		Other	0	Other
Total Water Connections:				Total Sewer Connections:	943

22. List the number of additional connections projected for the requested CCN area:

Water				Sewer	
	Non-metered		2"		Residential
	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:				Total Sewer Connections:	

23. A. Will the system serving the requested area purchase water or sewer treatment capacity from another source?

☐ Yes* ☒ No *Attach a copy of purchase agreement or contract.

Capacity is purchased from:

Water: _____

Sewer: _____

B. Are any of the Applicants PWS's required to purchase water to meet the TCEQ's minimum capacity requirements or TCEQ's drinking water standards?

☐ Yes ☐ No

C. What is the amount of supply or treatment purchased, per the agreement or contract? What is the percent of overall demand supplied by purchased water or sewer treatment (if any)?

	Amount in Gallons	Percent of demand
Water:		0%
Sewer:		0%

24. Does the PWS or sewer treatment plant have adequate capacity to meet the current and projected demands in the requested area?

☒ Yes ☐ No

25. List the name, class, and TCEQ license number of the operators that will be responsible for the operations of the water or sewer utility service provided to the requested area:

Name (as it appears on license)	Class	License No.	Water/Sewer
See Attachment No 5			

26. A. Are any improvements required for the existing PWS or sewer treatment plant to meet TCEQ or Commission standards?

☐ Yes ☒ No

B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:

27. Provide a map (or maps) showing all facilities for production, transmission, and distribution, and the location of existing or proposed customer connections, in the requested area. Facilities should be identified on subdivision plats, engineering planning maps, or other large scale maps. Color coding can be used, and is encouraged, to distinguish types of facilities.

Part E: Financial Information

28. If the Applicant seeking to obtain a CCN for the first time is an Investor Owned Utility (IOU) and under the original rate jurisdiction of the Commission, a proposed tariff must be attached to the application. The proposed rates must be supported by a rate study, which provides all calculations and assumptions made. Once a CCN is granted, the Applicant must submit a rate filing package with the Commission within 18 months from the date service begins. The purpose of this rate filing package is to revise a utility's tariff to adjust the rates to a historic test year and to true up the new tariff rates to the historic test year. It is the Applicant's responsibility in any future rate proceeding to provide written evidence and support for the original cost and installation date of all facilities used and useful for providing utility service. Any dollar amount collected under the rates charged during the test year in excess of the revenue requirement established by the Commission during the rate change proceeding shall be reflected as customer contributed capital going forward as an offset to rate base for ratemaking purposes.

29. If the Applicant is an existing IOU, please attach a copy of the current tariff and indicate:

A. Effective date for most recent rates: _____

B. Was notice of this increase provided to the Commission or a predecessor regulatory authority?

☐

No

☐

Yes

Application or Docket Number: _____

C. If notice was not provided to the Commission, please explain why (ex: rates are under the jurisdiction of a municipality)

If the Applicant is a Water Supply or Sewer Service Corporation (WSC/SSC) and seeking to obtain a CCN, attach a copy of the current tariff.

30. **Financial Information**

Applicants must provide accounting information typically included within a balance sheet, income statement, and statement of cash flows. If the Applicant is an existing retail public utility, this must include historical financial information and projected financial information. However, projected financial information is only required if the Applicant proposes new service connections and new investment in plant, or if requested by Commission Staff. If the Applicant is a new market entrant and does not have its own historical balance sheet, income statement, and statement of cash flows information, then the Applicant should establish a five-year projection.

Historical Financial Information may be shown by providing any combination of the following that includes necessary information found in a balance sheet, income statement, and statement of cash flows:

1. Completed Appendix A;
2. Documentation that includes all of the information required in Appendix A in a concise format; or
3. Audited financial statements issued within 18 months of the application filing date. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

Projected Financial Information may be shown by providing any of the following:

1. Completed Appendix B;
2. Documentation that includes all of the information required in Appendix B in a concise format;
3. A detailed budget or capital improvement plan, which indicates sources and uses of funds required, including improvements to the system being transferred; or
4. A recent budget and capital improvements plan that includes information needed for analysis of the operations test for the system being transferred and any operations combined with the system. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

31. Attach a disclosure of any affiliated interest or affiliate. Include a description of the business relationship between all affiliated interests and the Applicant.

DO NOT INCLUDE ATTACHMENTS A OR B IF LEFT BLANK

Part F: Mapping & Affidavits

32. Provide the following mapping information with each of the seven (7) copies of the application:

1. A general location (small scale) map identifying the requested area in reference to the nearest county boundary, city, or town. The Applicant should adhere to the following guidance:
 - i. If the application includes an amendment for both water and sewer certificated service areas, separate maps must be provided for each.
 - ii. A hand drawn map, graphic, or diagram of the requested area is not considered an acceptable mapping document.
 - iii. To maintain the integrity of the scale and quality of the map, copies must be exact duplicates of the original map. Therefore, copies of maps cannot be reduced or enlarged from the original map, or in black and white if the original map is in color.
2. A detailed (large scale) map identifying the requested area in reference to verifiable man-made or natural landmarks such as roads, rivers, and railroads. The Applicant should adhere to the following guidance:
 - i. The map should be clearly labeled and the outer boundary of the requested area should be marked in reference to the verifiable man-made or natural landmarks. These verifiable man-made and/or natural landmarks must be labeled and marked on the map as well.
 - ii. If the application includes an amendment for both water and sewer certificated service area, separate maps need to be provided for each.
 - iii. To maintain the integrity of the scale and quality of the map, copies must be exact duplicates of the original map. Therefore, copies of maps cannot be reduced or enlarged from the original map, or in black and white if the original map is in color.
3. One of the following identifying the requested area:
 - i. A metes and bounds survey sealed or embossed by either a licensed state land surveyor or a registered professional land surveyor. Please refer to the mapping guidance in part 2 (above);

- ii. A recorded plat. If the plat does not provide sufficient detail, Staff may request additional mapping information. Please refer to the mapping guidance in part 2 (above); or
- iii. Digital mapping data in a shapefile (SHP) format georeferenced in either NAD 83 Texas State Plane Coordinate System (US Feet) or in NAD 83 Texas Statewide Mapping System (Meters). The digital mapping data shall include a single, continuous polygon record. The following guidance should be adhered to:
 - a. The digital mapping data must correspond to the same requested area as shown on the general location and detailed maps. The requested area must be clearly labeled as either the water or sewer requested area.
 - b. A shapefile should include six files (.dbf, .shp, .shx, .sbx, .sbn, and the projection (.prj) file).
 - c. The digital mapping data shall be filed on a data disk (CD or USB drives), clearly labeled, and filed with Central Records. Seven (7) copies of the digital mapping data is also required.

Part G: Notice Information

The following information will be used to generate the proposed notice for the application.
DO NOT provide notice until the application is deemed sufficient for filing and the Applicant is ordered to provide notice.

33. Complete the following using verifiable man-made and/or natural landmarks such as roads, rivers, or railroads to describe the requested area (to be stated in the notice documents). Measurements should be approximated from the outermost boundary of the requested area:

The total acreage of the requested area is approximately: 795

Number of customer connections in the requested area: 943

The closest city or town: City of Houston

Approximate mileage to closest city or town center: 4

Direction to closest city or town: South

The requested area is generally bounded on the North by: Texas 99 Toll

on the East by: US Highway 59

on the South by: Conroe-Porter Road or FM 1314

on the West by: Valley Ranch Parkway

34. A copy of the proposed map will be available at 3200 Southwest Freeway, Suite 2600 Houston, Texas 77027

Applicant's Oath

STATE OF Texas

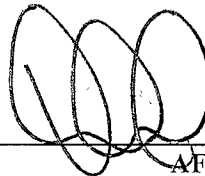
COUNTY OF Montgomery

I, Chris Baughman being duly sworn, file this application to
obtain or amend a water or sewer CCN, as President of Valley Ranch Municipal Utility District
(owner, member of partnership, title as officer of corporation, or authorized representative)

I attest that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to Applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I further represent that the application form has not been changed, altered, or amended from its original form.

I further represent that the Applicant will provide continuous and adequate service to all customers and qualified applicants within its certificated service area should its request to obtain or amend its CCN be granted.



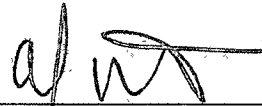
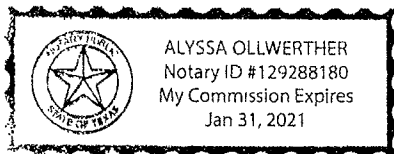
AFFIANT

(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN BEFORE ME, a Notary Public in and for the State of Texas
this day the 23 of January, 2019

SEAL



**NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS**

Alyssa Ollwerther

PRINT OR TYPE NAME OF NOTARY

My commission expires: 1/31/2021

Appendix A: Historical Financial Information (Balance Sheet and Income Schedule)

(Audited financial statements may be substituted for this schedule – see item 29 of the instructions)

HISTORICAL BALANCE SHEETS (ENTER DATE OF YEAR END)	CURRENT(A) (- -)	A-1 YEAR (- -)	A-2 YEAR (- -)	A-3 YEAR (- -)	A-4 YEAR (- -)	A-5 YEAR (- -)
CURRENT ASSETS						
Cash						
Accounts Receivable						
Inventories						
Other						
A. Total Current Assets						
FIXED ASSETS						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
B. Total Fixed Assets						
C. TOTAL Assets (A + B)						
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
D. Total Current Liabilities						
LONG TERM LIABILITIES						
Notes Payable, Long-term						
Other						
E. Total Long Term Liabilities						
F. TOTAL LIABILITIES (D + E)						
OWNER'S EQUITY						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
G. TOTAL OWNER'S EQUITY						
TOTAL LIABILITIES+EQUITY (F + G) = C						
WORKING CAPITAL (A – D)						
CURRENT RATIO (A / D)						
DEBT TO EQUITY RATIO (E / G)						

DO NOT INCLUDE ATTACHMENTS A OR B IF LEFT BLANK

HISTORICAL NET INCOME INFORMATION						
(ENTER DATE OF YEAR END)	CURRENT(A) (- -)	A-1 YEAR (- -)	A-2 YEAR (- -)	A-3 YEAR (- -)	A-4 YEAR (- -)	A-5 YEAR (- -)
METER NUMBER						
Existing Number of Taps						
New Taps Per Year						
Total Meters at Year End						
METER REVENUE						
Revenue per Meter (use for projections)						
Expense per Meter (use for projections)						
Operating Revenue Per Meter						
GROSS WATER REVENUE						
Revenues- Base Rate & Gallonage Fees						
Other (Tap, reconnect, transfer fees, etc.)						
Gross Income						
EXPENSES						
General & Administrative (see schedule)						
Operating (see schedule)						
Interest						
Other (list)						
NET INCOME						

HISTORICAL EXPENSE INFORMATION (ENTER DATE OF YEAR END)	CURRENT(A) (- -)	A-1 YEAR (- -)	A-2 YEAR (- -)	A-3 YEAR (- -)	A-4 YEAR (- -)	A-5 YEAR (- -)
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries & Benefits--Office/Management						
Office (services, rentals, supplies, electricity)						
Contract Labor						
Transportation						
Insurance						
Telephone						
Utilities						
Property Taxes						
Professional Services/Fees (recurring)						
Regulatory- other						
Other (describe)						
Interest						
Other						
Total General Admin. Expenses (G&A)						
% Increase Per Year	0%	0%	0%	0%	0%	0%
OPERATIONS & MAINTENANCE EXPENSES						
Salaries & Benefits (Employee, Management)						
Materials & Supplies						
Utilities Expense-office						
Contract Labor						
Transportation Expense						
Depreciation Expense						
Other(describe)						
Total Operational Expenses (O&M)						
Total Expense (Total G&A + O&M)						
Historical % Increase Per Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ASSUMPTIONS						
Interest Rate/Terms						
Depreciation Schedule (attach)						
Other assumptions/information (List all)						

Appendix B: Projected Information

HISTORICAL BALANCE SHEETS (ENTER DATE OF YEAR END)	CURRENT(A) (- -)	A-1 YEAR (- -)	A-2 YEAR (- -)	A-3 YEAR (- -)	A-4 YEAR (- -)	A-5 YEAR (- -)
CURRENT ASSETS						
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
A. Total Current Assets						
FIXED ASSETS						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
B. Total Fixed Assets						
C. TOTAL Assets (A + B)						
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
D. Total Current Liabilities						
LONG TERM LIABILITIES						
Notes Payable, Long-term						
Other						
E. Total Long Term Liabilities						
F. TOTAL LIABILITIES (D + E)						
OWNER'S EQUITY						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
G. TOTAL OWNER'S EQUITY						
TOTAL LIABILITIES+EQUITY (F + G) = C						
WORKING CAPITAL (A – D)						
CURRENT RATIO (A / D)						
DEBT TO EQUITY RATIO (F / G)						

PROJECTED NET INCOME INFORMATION						
(ENTER DATE OF YEAR END)	CURRENT(A) (- -)	A-1 YEAR (- -)	A-2 YEAR (- -)	A-3 YEAR (- -)	A-4 YEAR (- -)	A-5 YEAR (- -)
METER NUMBER						
Existing Number of Taps						
New Taps Per Year						
Total Meters at Year End						
METER REVENUE						
Revenue per Meter (use for projections)						
Expense per Meter (use for projections)						
Operating Revenue Per Meter						
GROSS WATER REVENUE						
Revenues- Base Rate & Gallonage Fees						
Other (Tap, reconnect, transfer fees, etc.)						
Gross Income						
EXPENSES						
General & Administrative (see schedule)						
Operating (see schedule)						
Interest						
Other (list)						
NET INCOME						

PROJECTED EXPENSE DETAIL	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries						
Office						
Computer						
Auto						
Insurance						
Telephone						
Utilities						
Depreciation						
Property Taxes						
Professional Fees						
Other						
Total						
% Increase Per projected Year	0%	0%	0%	0%	0%	0%
OPERATIONAL EXPENSES						
Salaries						
Auto						
Utilities						
Depreciation						
Repair & Maintenance						
Supplies						
Other						
Total						

PROJECTED SOURCES AND USES OF CASH STATEMENTS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
SOURCES OF CASH						
Net Income						
Depreciation (If funded by revenues of system)						
Loan Proceeds						
Other						
Total Sources						
USES OF CASH						
Net Loss						
Principle Portion of Pmts.						
Fixed Asset Purchase						
Reserve						
Other						
Total Uses						
NET CASH FLOW						
DEBT SERVICE COVERAGE						
Cash Available for Debt (CADS)						
A: Net Income (Loss)						
B: Depreciation, or Reserve Interest						
C: Total CADS (A + B = C)						
D: DEBT SERVICE						
Annual Principle Plus Interest						
E: DEBT SERVICE COVERAGE RATIO						
CADS Divided by DS (E = C / D)						

ATTACHMENT NO. 1

OVERVIEW OF REQUEST

Porter Municipal Utility District (Porter MUD) is the current CCN holder for the requested area within the district boundaries of Valley Ranch MUD No. 1. Until March of 2018, Porter MUD served as the operator of a wastewater treatment plant owned by Valley Ranch MUD No. 1, and Valley Ranch MUD No. 1 provided (and is currently providing) retail sewer service to the customers in the area. On January 28, 2018, Porter MUD notified Valley Ranch MUD No. 1 that it would cease operating the plant, and on March 1, 2018, Valley Ranch MUD assumed operations. Porter MUD consented to a decertification of the requested area. *See* Attachment No. 2. Additionally, Valley Ranch MUD has received two requests for service from the Signorelli Company for property outside the district owned by Signorelli Company.



January 10, 2019

Mr. Chris Baughman
President, Board of Directors
Valley Ranch Municipal Utility District No. 1
c/o Allen Boone Humphries Robinson LLP
3200 Southwest Freeway, Suite 2600
Houston, Texas 77027

Re: Request for Service from Valley Ranch Municipal Utility District No. 1

Dear Mr. Baughman:

We are the developer for the 9.7475 acre tract of land described in the metes and bounds attached hereto (the "Tract"). The Tract does not currently receive sanitary sewer service. Therefore, we hereby request sanitary sewer service from Valley Ranch Municipal Utility District No. 1.

Sincerely,

A handwritten signature in dark ink, appearing to read "Daniel K. Signorelli". The signature is fluid and cursive, with a long, sweeping tail that extends to the right.

Daniel K. Signorelli
President, The Signorelli Company

Enclosure

Developers • Builders • Residential • Commercial

August 25, 2017

***9.7475 acres of land in the E. S. Perkins Survey, Abstract No. 425,
Montgomery County, Texas***

A FIELD NOTE DESCRIPTION of a 9.7475 acre (424,600 square feet) tract of land in the E. S. Perkins Survey, Abstract No. 425, Montgomery County, Texas; said 9.7475 acre tract being all of a 2.00 acre tract of land conveyed to Kirsten N. Guerra (1/2 interest), as recorded in Montgomery County Clerk's File No. 2009-031978, being all of a 7.2957 acre tract of land conveyed to Kirsten N. Guerra (1/2 interest), as recorded in Montgomery County Clerk's File No. 2009-004697 and Donna Guerra (1/2 interest), as recorded in Montgomery County Clerk's File No. 2009-031979, and being the remainder of a tract of land conveyed to Robert Raymond Guerra and Donna Willingham Guerra, as recorded in Montgomery County Clerk's File No. 2003-025010; said tract being more particularly described by metes-and-bounds as follows with the bearings being based on Texas State Plane Coordinate System, Central Zone (NAD83) per GPS Observations using National Geodetic Survey Continuously Operating Reference Stations:

BEGINNING at a 5/8-inch iron rod found in the east right-of-way line of Valley Ranch Crossing Drive (120 feet wide), as recorded in Montgomery County Clerk's File No. 2006-112640 in the south line of a 286.388 acre tract of land conveyed to Sig-Valley Ranch, Ltd., as recorded in Montgomery County Clerk's File No. 2005-094964;

THENCE, North 87° 21' 38" East with the south line of said 286.388 acre tract, at a distance of 150.56 feet pass a 1/2-inch iron pipe found for the northwest corner of a 8.85 acre tract of land conveyed to Twin Grove Associates, Ltd., as recorded in Montgomery County Clerk's File No. 9737742 and continuing with the south line of said 286.388 acre tract and with the north line of said 8.85 acre tract for a total distance of 427.28 feet to a 1-inch iron pipe found for the northeast corner of said 8.85 acre tract and for the northwest corner and POINT OF BEGINNING of this tract;

THENCE, North 87° 21' 38" East – 342.15 feet with the south line of said 286.388 acre tract to a 1/2-inch iron pipe found for the northwest corner of Restricted Reserve "C", Porter Plaza, Ltd. Subdivision, according to the map or plat recorded in Cabinet H, Sheet 68 A & B of the Montgomery County Map Records and for the northeast corner of this tract;

THENCE, South 01° 14' 41" East – 1,275.67 feet with the west line of said Porter Plaza, Ltd. Subdivision and with the west line of Porter Plaza, according to the map or plat recorded in Cabinet E, Sheet 128-A & B of the Montgomery County Map Records to a 5/8-inch iron rod with cap stamped "TEAM" set for in the north right-of-way line of F.M. 1314 (width varies), as recorded in Montgomery County Clerk's File No. 2004-093726 for the southeast corner of this tract;

THENCE, North 72° 04' 53" West – 123.27 feet with the north right-of-way line of said F.M. 1314 to a 5/8-inch iron rod with cap stamped "TEAM" set for an angle point;

THENCE, South 86° 44' 23" West – 111.27 feet with the north right-of-way line of said F.M. 1314 to a TXDOT disc found for the beginning of a non-tangent curve to the left;

THENCE, in a westerly direction with the north right-of-way line of said F.M. 1314 and with said curve to the left having a radius of 11,531.16 feet, a central angle of $00^{\circ} 34' 15''$, a length of 114.91 feet, and a chord bearing South $86^{\circ} 27' 18''$ West - 114.91 feet to a 5/8-inch iron rod with cap found for the southwest corner of this tract;

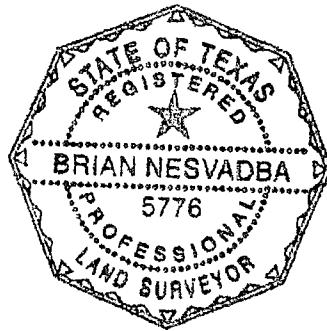
THENCE, North $01^{\circ} 13' 33''$ West - 1,235.40 feet with the east line of said 8.85 acre tract to the POINT OF BEGINNING and containing 9.7475 acres (424,600 square feet) of land.

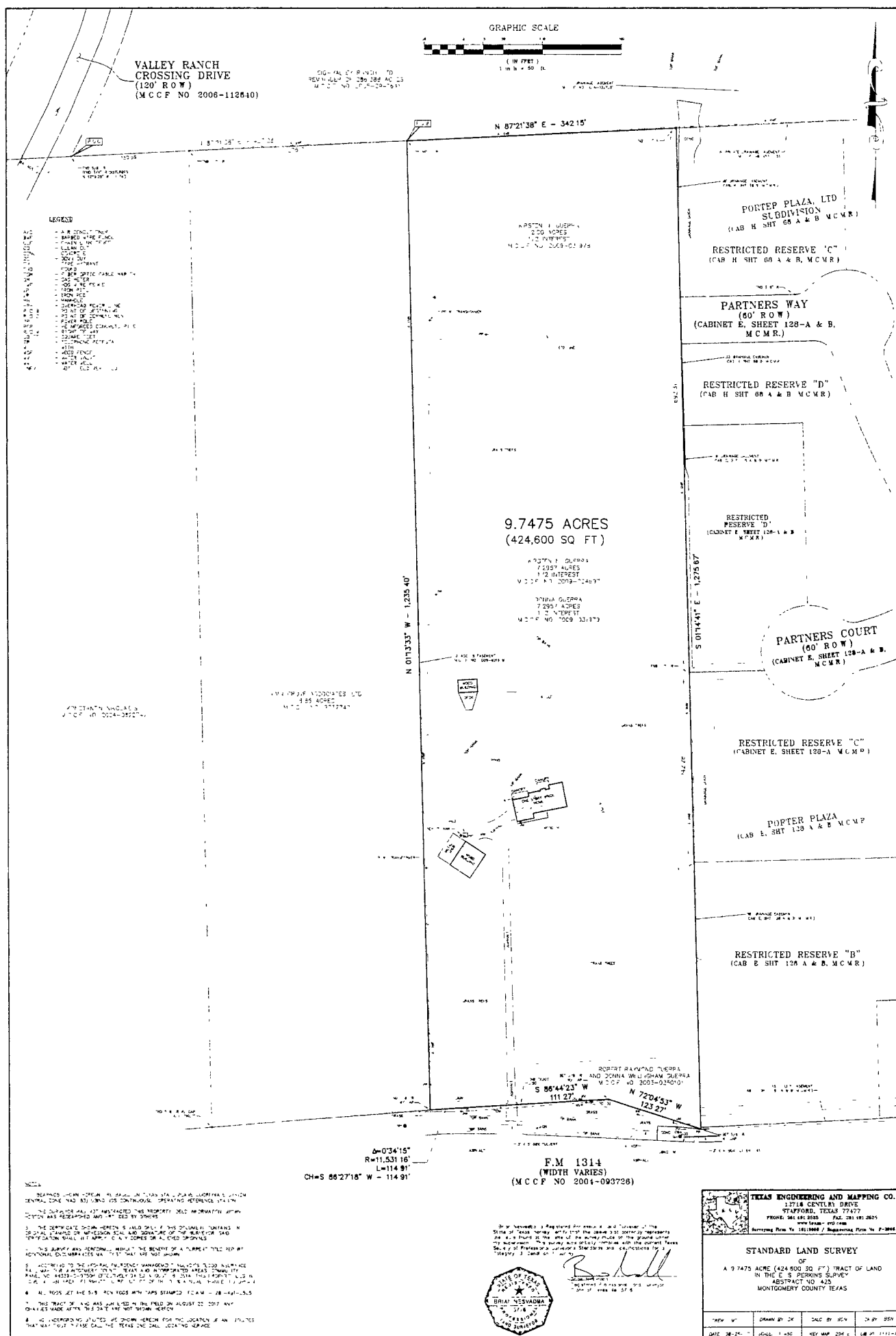
Note: This metes-and-bounds description was compiled in conjunction with a survey performed on even date.

COMPILED BY:
TEXAS ENGINEERING AND MAPPING CO.
Civil Engineers - Land Surveyors
Stafford, Texas
Firm Registration No. 10119000
Job No. 1111-14
W:\1111-14_9 ACRES.docx



Brian Nesvadba
Registered Professional Land Surveyor
State of Texas No. 5776







December 4, 2018


Mr. Chris Baughman
President, Board of Directors
Valley Ranch Municipal Utility District No. 1
c/o Allen Boone Humphries Robinson LLP
3200 Southwest Freeway, Suite 2600
Houston, Texas 77027

Re: Request for Service from Valley Ranch Municipal Utility District No. 1

Dear Mr. Baughman:

We are the developer for the 10.29 acre tract of land described in the metes and bounds attached hereto (the "Tract"). The Tract does not currently receive sanitary sewer service. Therefore, we hereby request sanitary sewer service from Valley Ranch Municipal Utility District No. 1.

Sincerely,



Daniel K. Signorelli
President, The Signorelli Company

Enclosure

METES AND BOUNDS DESCRIPTION
OF A 10.29 ACRE TRACT OF LAND
OUT OF THE E. S. PERKINS SURVEY, ABSTRACT NO. 425
MONTGOMERY COUNTY, TEXAS

Being a 10.29 acre tract of land out of the E. S. Perkins Survey, Abstract 425, Montgomery County, Texas; out of and a portion of that certain called 286.388 acre tract of land conveyed to Valley Ranch Town Center, Ltd., as recorded in File No. 2005-094964 in the Official Public Records of Real Property, Montgomery County, Texas; said 10.29 acre tract of land being more particularly described by metes and bounds as follows, with all bearings being referenced to Texas State Plane Coordinate System, Central Zone (NAD 83) CORS96, EPOCH 2002.00;

BEGINNING at a point for the Northeast corner of said 286.388 acre tract, being the Southeast corner of Forest Colony, Section One, a subdivision plat recorded in Cabinet P, Sheet 51 in the Map Records of Montgomery County, Texas; also being in the West right-of-way line of U.S. 59 (right-of-way width varies) as recorded in Volume 516, Page 341 in the Montgomery County Deed Records;

THENCE South $86^{\circ} 07' 24''$ West with the North line of said 286.388 acre tract and the South line of said Forest Colony, Section One, 747.57 feet to a point for an angle point;

THENCE South $86^{\circ} 27' 55''$ West continuing with the North line of said 286.388 acre tract and the South line of said Forest Colony, Section One, 909.03 feet to a point for the PLACE OF BEGINNING

THENCE South $03^{\circ} 32' 33''$ East, 906.07 feet to a point for the Southeast corner of the herein described tract;

THENCE South $86^{\circ} 27' 27''$ West, 494.86 feet to a point for the Southwest corner of the herein described tract;

THENCE North $03^{\circ} 32' 33''$ West, 906.14 feet to a point for the Northwest corner of the herein described tract, and being in the North line of said 286.388 acre tract and the South line of said Forest Colony, Section One;

THENCE North $86^{\circ} 27' 55''$ East with the North line of said 286.388 acre tract and the South line of said Forest Colony, Section One, 494.86 feet to the PLACE OF BEGINNING; containing 10.29 acres of land, more or less.

This document was prepared under 22 TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interest implied or established by the creation or reconfiguration of the boundary of the political subdivision from which it was prepared.

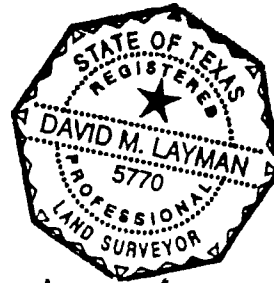
DANNENBAUM ENGINEERING CORPORATION

T.B.P.L.S. Firm Registration #101188-00

3100 West Alabama

Houston, Texas 77098

Phone: 713-520-9570



4057-96

Porter MUD Annexation Tract No. 1

Azalia District

December 4, 2017

David M. Layman
12-4-17

ATTACHMENT NO. 2
PORTER MUD'S CONSENT RESOLUTION

RESOLUTION NO. _____

**A RESOLUTION OF PORTER MUNICIPAL UTILITY DISTRICT
CONSENTING TO THE DECERTIFICATION OF A PORTION OF ITS
SEWER CERTIFICATE OF CONVENIENCE AND NECESSITY NO. 20573
AND CONSENTING TO THE OVERLAP OF CERTIFICATED AREA
WITH THE DISTRICT.**

WHEREAS, Porter Municipal Utility District (Porter MUD) has Sewer Certificate of Convenience and Necessity No. (CCN) 20753 (Porter MUD's CCN) and a portion of the Porter MUD's CCN includes the area within the Valley Ranch Municipal Utility District No. 1 (Valley Ranch MUD);

WHEREAS, pursuant to an August 4, 2004 Water Treatment Capacity Agreement, as amended, Porter MUD operated Valley Ranch MUD's wastewater treatment plant on Valley Ranch MUD's behalf;

WHEREAS, on January 28, 2018, Porter MUD notified Valley Ranch MUD that Porter MUD would no longer operate Valley Ranch MUD's wastewater water treatment plant effective March 1, 2018;

WHEREAS, on March 1, 2018, Valley Ranch MUD assumed operations of its wastewater treatment plant;

WHEREAS, although Porter MUD operated Valley Ranch MUD's wastewater treatment plant and Valley Ranch MUD is within Porter MUD's CCN, the sewer customers within Valley Ranch MUD are and have been retail sewer customers of Valley Ranch MUD;

WHEREAS, Valley Ranch MUD requests that Porter MUD consent to the amendment of the Porter MUD's CCN to exclude Valley Ranch MUD from the Porter MUD's CCN so that the area may be certificated to Valley Ranch MUD;

WHEREAS, Valley Ranch MUD further requests that Porter MUD consent to the overlap of Valley Ranch MUD's CCN with the boundaries of Porter MUD;

WHEREAS, it is in the best interest of Porter MUD to consent to the decertification of the portion of the Porter MUD's CCN that is within the Valley Ranch MUD, to not oppose the certification of that area to Valley Ranch MUD, and to consent to the overlap of Valley Ranch MUD's CCN with the boundaries of Porter MUD.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF
PORTER MUNICIPAL UTILITY DISTRICT THAT:**

Section 1. Porter MUD does hereby consent to the decertification of that portion of Porter MUD's Sewer Certificate of Convenience and Necessity No. 20753 that is shown on Attachment 1 to this Resolution.

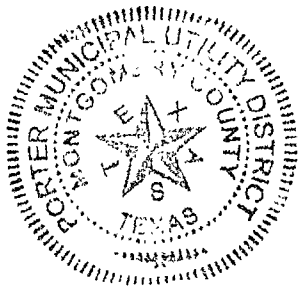
Section 2. Porter MUD hereby does not oppose Valley Ranch MUD obtaining a sewer CCN for the area shown on Attachment No. 1.

Section 3. Porter MUD hereby consents to the overlap of Valley Ranch MUD's CCN with the boundaries of Porter MUD.

PASSED & APPROVED this, the day of December 18, 2018, by a vote of 5 (ayes) 0 (nays) 0 (abstentions) of the Board of Directors of Porter Municipal Utility District.

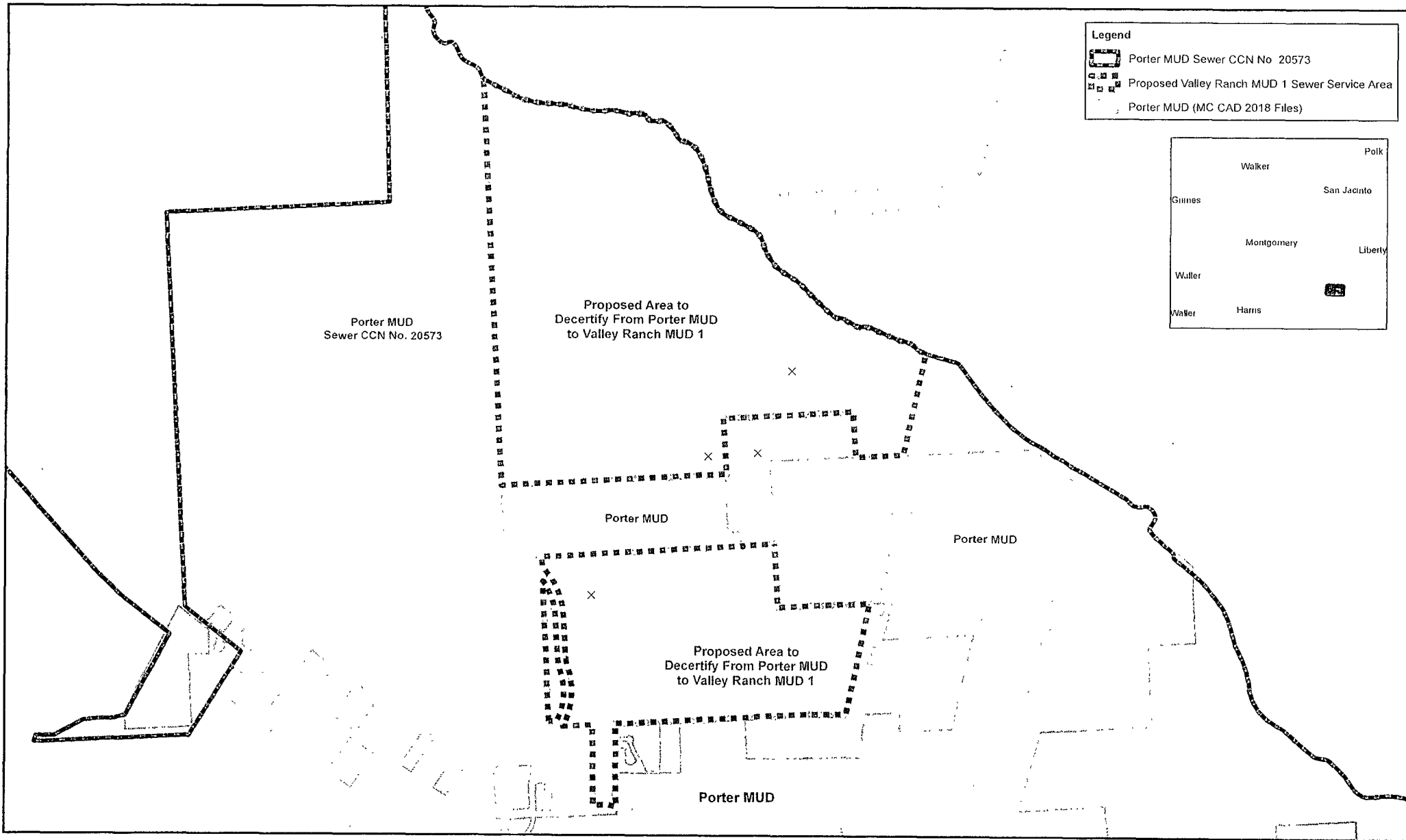
PORTER MUNICIPAL UTILITY DISTRICT

By: R. Wayne Curry
R. Wayne Curry, President



ATTEST:

By: Mary E. Hebert
Mary E. Hebert
Secretary



Valley Ranch MUD 1 **Proposed Decertification Area from Porter MUD Sewer CCN 20573**

© 2019 Bickerstaff Heath Delgado Acosta LLP
 Data Source: Valley Ranch MUD and Porter MUD
 boundaries obtained from Montgomery County CAD.
 Porter MUD Sewer CCN No. 20573 obtained from
 PUC Utilities - Water Mapping



Created 1/25/2019
 Background Image: ESRI Open Street Map

ATTACHMENT NO. 3
INFRAMARK AGREEMENT

**FIRST AMENDMENT TO
AMENDED AND RESTATED PROFESSIONAL SERVICES AGREEMENT**

THIS FIRST AMENDMENT TO AMENDED AND RESTATED PROFESSIONAL SERVICES AGREEMENT (the "Amendment") is entered into this 24 day of October, 2018 by and between **VALLEY RANCH MUNICIPAL UTILITY DISTRICT NO. 1** (the "District"), a district located in Montgomery County, Texas, and acting by and through its duly authorized Board of Directors and **INFRAMARK, LLC** ("Inframark"), a Texas limited liability company with offices located in Katy, Harris County, Texas.

WHEREAS, the District and **SEVERN TRENT ENVIRONMENTAL SERVICES, INC.** ("**Severn Trent Inc.**") originally entered into that certain Amended and Restated Professional Services Agreement dated August 1, 2014 (the "**Original Agreement**") by and between the District and Inframark.

WHEREAS, Severn Trent Inc. converted into Severn Trent Environmental Services, LLC ("**Severn Trent LLC**") and Severn Trent LLC succeeded to and assumed all of Severn Trent Inc.'s obligations, duties, rights, titles, and interests in and to the Original Agreement; and

WHEREAS, on December 1, 2017, Severn Trent LLC changed its name to Inframark, LLC ("**Inframark**"). Inframark has succeeded to and assumed all of Severn Trent LLC's and Severn Trent Inc.'s obligations, duties, rights, titles, and interests in and to the Original Agreement and any amendments thereto; and

WHEREAS, the District and Inframark are desirous of ratifying and affirming the Original Agreement and the assumption of same by Inframark and wish to amend certain provisions of the Original Agreement;

NOW THEREFORE, and in consideration of the mutual covenants and agreements herein contained and contained in the Original Agreement, the District and Inframark hereby:

(a) confirm and agree that the facts set forth in the recitals hereof are true and correct and made a part hereof; and

(b) ratify and affirm the Original Agreement and the assumption by Inframark of the Original Agreement and of all obligations, duties, rights, titles, and interests of Severn Trent, LLC and Severn Trent, Inc. thereunder, all in accordance with the terms, provisions, stipulations, and conditions of the Original Agreement, and

(c) the District and Inframark hereby agree to amend the Original Agreement as follows:

ARTICLE I

Section 1.1: Definitions. Unless otherwise specifically set forth in this Amendment, all capitalized terms shall have the meanings set forth in the Original Agreement.

Section 1.2: Amendment to Schedule of Rates. Attachment "A" to the Original Agreement shall be removed and replaced in its entirety with Attachment "A" attached hereto and incorporated herein.

Section 1.3: House Bill 89 Verification Form. The House Bill 89 Verification Form is hereby added and attached hereto.

ARTICLE II

Section 2.1: Term. This Amendment shall continue in force and effect for the same period as the Agreement.

Section 2.2: Agreement in Effect: Amendment Controls. All terms and provisions of the Original Agreement, except as amended hereby, shall remain in full force and effect. In the event that any provision of this Amendment conflicts with the Original Agreement, the provisions of this Amendment shall control.

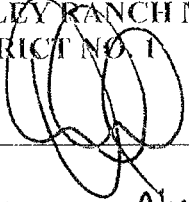
Section 2.3: Merger. This Amendment, together with the Original Agreement, embodies the entire agreement between the Parties relative to the subject matter hereto and thereof.

[SIGNATURES COMMENCE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the District and Inframark have caused this Amendment to be executed by their duly authorized officers.

VALLEY RANCH MUNICIPAL UTILITY
DISTRICT NO. 1

INFRAMARK, LLC

By: _____

By: _____

Printed Name: Chris Baughman

Printed Name: Todd Burrer

Title: President

Title: Vice President, Texas MUDs

Date: 10/24/18

Date: 9-10-18

SCHEDULE OF STANDARD RATES ATTACHMENT "A"

Base Monthly Operations Fees

Wastewater Treatment Plant (1)	\$ 4,500.00 per month, per plant
Lift Stations (3)	\$ 350.00 per month, per plant
Residential Connection Fee	\$ 3.00 per connection or apt. unit served
Commercial Connection Fee	\$ 3.00 per 10,000 gallons of water usage

The following is a partial list of Inframark charges showing the current rates:

Water Service Taps

*Residential Smart Meter 5/8" x 3/4"	\$ 750.00 per tap plus \$3.00 per foot if over 40'
*Residential Smart Meter 1"	\$ 1,075.00 per tap plus \$3.00 per foot if over 40'
*Residential Non-Smart Meters 5/8" x 3/4"	\$ 600.00 per tap, plus \$3.00 per foot if over 40'
*Non-typical Non-Smart Residential Meters 1"	\$ 800.00 per tap, plus \$3.00 per foot if over 40'
Taps larger than 1"	Custom Quote

*There will be a separate charge for any tap installation over 5 feet deep.

Sanitary Sewer Inspection

Residential	\$ 50.00 per inspection
Commercial	\$ 75.00 or custom quote per inspection

Customer Service Inspections

Pre-site	\$ 30.00 per inspection/rejection
Slab	\$ 30.00 per inspection/rejection
Wall	\$ 30.00 per inspection/rejection
Fixture	\$ 55.00 per inspection/rejection
Final Site Survey	\$ 50.00 per inspection/rejection

Other Types of Inspections

Backflow Prevention	\$ 75.00 per inspection/rejection
Grease Trap	\$ 50.00 per inspection
Fire Hydrant	Labor, Vehicle and Equipment rates

Labor and Supervision

Salary Cost X 2, which consists of the hourly rate and benefit cost X 2.

Overtime rates of time and one-half will apply for work performed before 7:30 a.m. and after 4:00 p.m. in excess of eight (8) hours per day or 40 hours per week, and on weekends and holidays. Holidays are New Year's Day, Memorial Day, Independence Day, Thanksgiving Day, and the day after Thanksgiving, Christmas Eve day and Christmas Day.

Outside contractor, professional services and materials will be billed at cost plus 15%.

The above regular rates will be in effect for year one (1) of the contract. For subsequent years, the regular rates will be increased by the same percentage as any increase in the Urban Consumers - Water and Sewerage Maintenance (CPI-U) for the U.S. City Average, 1982-84-100 as published monthly by the U.S. Department of Commerce, Bureau of Labor Statistics (the "Price Index"), or any replacement to that index from time to time, during the preceding twelve (12) months. The increase in the Price Index shall be determined by calculating the percentage increase between the Price Index in effect as of the month of each and every anniversary of this Amendment date over the Price Index in effect as of the month of the previous anniversary date. In no event shall the rates herein be decreased by virtue of any such adjustment.

**SCHEDULE OF STANDARD RATES -- CONTINUED
ATTACHMENT "A"**

Vehicles and Equipment

Utility Truck	\$	16.00 per hour	
Electrical Vehicle	\$	32.00 per hour	
Maintenance Truck	\$	32.00 per hour	
Mechanical Truck	\$	32.00 per hour	
Chlorination Truck	\$	32.00 per hour	
Crew Truck	\$	30.00 per hour	
Crane Truck	\$	55.00 per hour	
Backhoe w/trailer	\$	60.00 per hour	
Shoring Equipment	\$	25.00 per hour	
Utility Trailer	\$	10.00 per hour	
Lowboy (Gooseneck) Trailer	\$	11.50 per hour	
*Air Scouring Unit (4-hr. minimum)	\$	110.00 per hour	
*Televising Unit (4-hr. minimum)	\$	120.00 per hour	
*Vacator/Jet Unit (4-hr. minimum)	\$	180.00 per hour	not including dump fee
Includes Technician			
*Vacator/Jet Unit (4-hr. minimum)	\$	195.00 per hour	– <u>overtime rate</u> , not
Includes Technician			including dump fee

*These units will be available on a per-foot based cost quoted by job.

Outside contractor, professional services and materials will be billed at cost plus 15%.

Other Services

Sludge Management and Disposal	No markup on invoices paid directly by the District
Landscape Services	Outside contractor rates, plus markup
Delinquency Notices	\$ 15.00 per notice
Service Account Transfer	\$ 15.00 per transfer
Meter Disconnects/Reconnects	\$ 25.00 per disconnect/reconnect
Meter Removal/Installation/Reinstallation	\$ 50.00 per removal/installation/reinstallation
Meter Verification/Re-Read	Labor, Vehicle and Equipment rates
Special Studies/Reports	Labor, Vehicle and Equipment rates

Outside contractor, professional services and materials will be billed at cost plus 15%.

The above regular rates will be in effect for year one (1) of the contract. For subsequent years, the regular rates will be increased by the same percentage as any increase in the Urban Consumers - Water and Sewerage Maintenance (CPI-U) for the U.S. City Average, 1982=81=100 as published monthly by the U.S. Department of Commerce, Bureau of Labor Statistics (the "Price Index"), or any replacement to that index from time to time, during the preceding twelve (12) months. The increase in the Price Index shall be determined by calculating the percentage increase between the Price Index in effect as of the month of each and every anniversary of this Amendment date over the Price Index in effect as of the month of the previous anniversary date. In no event shall the rates herein be decreased by virtue of any such adjustment.

House Bill 89 Verification Form

Prohibition on Contracts with Companies Boycotting Israel

The 85th Texas Legislature approved new legislation, effective Sept. 1, 2017, which amends Texas Local Government Code Section 1, Subtitle F, Title 10, Government Code by adding Chapter 2270 which states that a governmental entity may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it:

- 1) does not boycott Israel; and
- 2) will not boycott Israel during the term of the contract

Pursuant to Section 2270.001, Texas Government Code:

1. "Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes; and
2. "Company" means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or any limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of those entities or business associations that exist to make a profit.

I, (authorized official) Todd Burrer, do hereby depose and verify the truthfulness and accuracy of the contents of the statements submitted on this certification under the provisions of Subtitle F, Title 10, Government Code Chapter 2270 and that the company named below:

- 1) does not boycott Israel currently; and
- 2) will not boycott Israel during the term of the contract; and
- 3) is not currently listed on the State of Texas Comptroller's Companies that Boycott Israel List located at <https://comptroller.texas.gov/purchasing/publications/divestment.php>

Inframark, LLC

Company Name


Signature of Authorized Official

Vice President

August 17, 2018

Title of Authorized Official

Date

REF: VALLEY RANCH MUNICIPAL UTILITY DISTRICT NO. 1
FIRST AMENDMENT TO AMENDED AND RESTATED PROFESSIONAL SERVICES AGREEMENT

ATTACHMENT NO. 4
LIST OF CERTIFIED OPERATORS

VALLEY RANCH OPERATIONS

DAVID OLIVARES (MAIN)	WW0036054	B
ED MUKES (ON CALL)	WW0016717	C
SILVERIO PENA (ON CALL)	WW0050377	B
DALE JOHNSON (ON CALL)	WW0029758	C
ALICIA JORDEN (ON CALL)	WW0050486	C

ATTACHMENT NO. 5

PROPOSED ENFORCEMENT ORDER AND EXPLANATION OF ENFORCEMENT ACTION

The TCEQ brought an enforcement action against Valley Ranch Municipal Utility District No. 1 (Valley Ranch MUD No. 1) for violations of the Texas Water Code on July 31, 2018, for failure to comply with the permit effluent limit for Total Ammonia Nitrogen daily average and other effluent limitations. The violations took place from January – March of 2018. The issues that resulted in the violation have been resolved to the satisfaction of the TCEQ as reflected in the TCEQ Proposed Order, sent to Valley Ranch MUD No. 1 on August 20, 2018. By May 31, 2018, Valley Ranch MUD No. 1 had completed the expansion of its facility and returned to compliance with all permitted effluent limitations. There are no remaining violations. A final agreed order is pending.

TCEQ EXIT INTERVIEW FORM: Potential Violations and/or Records Requested						
Regulated Entity/Site Name	Valero Refinery			TCEQ Add. ID No. RN No. (optional)	NA	
Investigation Type	SC	Contact Made In-House (Y/N)		Purpose of Investigation	Compliance with 35 CSR 1.101, 1.102, 1.103, 1.104, 1.105, 1.106, 1.107, 1.108, 1.109, 1.110, 1.111, 1.112, 1.113, 1.114, 1.115, 1.116, 1.117, 1.118, 1.119, 1.120, 1.121, 1.122, 1.123, 1.124, 1.125, 1.126, 1.127, 1.128, 1.129, 1.130, 1.131, 1.132, 1.133, 1.134, 1.135, 1.136, 1.137, 1.138, 1.139, 1.140, 1.141, 1.142, 1.143, 1.144, 1.145, 1.146, 1.147, 1.148, 1.149, 1.150, 1.151, 1.152, 1.153, 1.154, 1.155, 1.156, 1.157, 1.158, 1.159, 1.160, 1.161, 1.162, 1.163, 1.164, 1.165, 1.166, 1.167, 1.168, 1.169, 1.170, 1.171, 1.172, 1.173, 1.174, 1.175, 1.176, 1.177, 1.178, 1.179, 1.180, 1.181, 1.182, 1.183, 1.184, 1.185, 1.186, 1.187, 1.188, 1.189, 1.190, 1.191, 1.192, 1.193, 1.194, 1.195, 1.196, 1.197, 1.198, 1.199, 1.200, 1.201, 1.202, 1.203, 1.204, 1.205, 1.206, 1.207, 1.208, 1.209, 1.210, 1.211, 1.212, 1.213, 1.214, 1.215, 1.216, 1.217, 1.218, 1.219, 1.220, 1.221, 1.222, 1.223, 1.224, 1.225, 1.226, 1.227, 1.228, 1.229, 1.230, 1.231, 1.232, 1.233, 1.234, 1.235, 1.236, 1.237, 1.238, 1.239, 1.240, 1.241, 1.242, 1.243, 1.244, 1.245, 1.246, 1.247, 1.248, 1.249, 1.250, 1.251, 1.252, 1.253, 1.254, 1.255, 1.256, 1.257, 1.258, 1.259, 1.260, 1.261, 1.262, 1.263, 1.264, 1.265, 1.266, 1.267, 1.268, 1.269, 1.270, 1.271, 1.272, 1.273, 1.274, 1.275, 1.276, 1.277, 1.278, 1.279, 1.280, 1.281, 1.282, 1.283, 1.284, 1.285, 1.286, 1.287, 1.288, 1.289, 1.290, 1.291, 1.292, 1.293, 1.294, 1.295, 1.296, 1.297, 1.298, 1.299, 1.300, 1.301, 1.302, 1.303, 1.304, 1.305, 1.306, 1.307, 1.308, 1.309, 1.310, 1.311, 1.312, 1.313, 1.314, 1.315, 1.316, 1.317, 1.318, 1.319, 1.320, 1.321, 1.322, 1.323, 1.324, 1.325, 1.326, 1.327, 1.328, 1.329, 1.330, 1.331, 1.332, 1.333, 1.334, 1.335, 1.336, 1.337, 1.338, 1.339, 1.340, 1.341, 1.342, 1.343, 1.344, 1.345, 1.346, 1.347, 1.348, 1.349, 1.350, 1.351, 1.352, 1.353, 1.354, 1.355, 1.356, 1.357, 1.358, 1.359, 1.360, 1.361, 1.362, 1.363, 1.364, 1.365, 1.366, 1.367, 1.368, 1.369, 1.370, 1.371, 1.372, 1.373, 1.374, 1.375, 1.376, 1.377, 1.378, 1.379, 1.380, 1.381, 1.382, 1.383, 1.384, 1.385, 1.386, 1.387, 1.388, 1.389, 1.390, 1.391, 1.392, 1.393, 1.394, 1.395, 1.396, 1.397, 1.398, 1.399, 1.400, 1.401, 1.402, 1.403, 1.404, 1.405, 1.406, 1.407, 1.408, 1.409, 1.410, 1.411, 1.412, 1.413, 1.414, 1.415, 1.416, 1.417, 1.418, 1.419, 1.420, 1.421, 1.422, 1.423, 1.424, 1.425, 1.426, 1.427, 1.428, 1.429, 1.430, 1.431, 1.432, 1.433, 1.434, 1.435, 1.436, 1.437, 1.438, 1.439, 1.440, 1.441, 1.442, 1.443, 1.444, 1.445, 1.446, 1.447, 1.448, 1.449, 1.450, 1.451, 1.452, 1.453, 1.454, 1.455, 1.456, 1.457, 1.458, 1.459, 1.460, 1.461, 1.462, 1.463, 1.464, 1.465, 1.466, 1.467, 1.468, 1.469, 1.470, 1.471, 1.472, 1.473, 1.474, 1.475, 1.476, 1.477, 1.478, 1.479, 1.480, 1.481, 1.482, 1.483, 1.484, 1.485, 1.486, 1.487, 1.488, 1.489, 1.490, 1.491, 1.492, 1.493, 1.494, 1.495, 1.496, 1.497, 1.498, 1.499, 1.500, 1.501, 1.502, 1.503, 1.504, 1.505, 1.506, 1.507, 1.508, 1.509, 1.510, 1.511, 1.512, 1.513, 1.514, 1.515, 1.516, 1.517, 1.518, 1.519, 1.520, 1.521, 1.522, 1.523, 1.524, 1.525, 1.526, 1.527, 1.528, 1.529, 1.530, 1.531, 1.532, 1.533, 1.534, 1.535, 1.536, 1.537, 1.538, 1.539, 1.540, 1.541, 1.542, 1.543, 1.544, 1.545, 1.546, 1.547, 1.548, 1.549, 1.550, 1.551, 1.552, 1.553, 1.554, 1.555, 1.556, 1.557, 1.558, 1.559, 1.560, 1.561, 1.562, 1.563, 1.564, 1.565, 1.566, 1.567, 1.568, 1.569, 1.570, 1.571, 1.572, 1.573, 1.574, 1.575, 1.576, 1.577, 1.578, 1.579, 1.580, 1.581, 1.582, 1.583, 1.584, 1.585, 1.586, 1.587, 1.588, 1.589, 1.590, 1.591, 1.592, 1.593, 1.594, 1.595, 1.596, 1.597, 1.598, 1.599, 1.600, 1.601, 1.602, 1.603, 1.604, 1.605, 1.606, 1.607, 1.608, 1.609, 1.610, 1.611, 1.612, 1.613, 1.614, 1.615, 1.616, 1.617, 1.618, 1.619, 1.620, 1.621, 1.622, 1.623, 1.624, 1.625, 1.626, 1.627, 1.628, 1.629, 1.630, 1.631, 1.632, 1.633, 1.634, 1.635, 1.636, 1.637, 1.638, 1.639, 1.640, 1.641, 1.642, 1.643, 1.644, 1.645, 1.646, 1.647, 1.648, 1.649, 1.650, 1.651, 1.652, 1.653, 1.654, 1.655, 1.656, 1.657, 1.658, 1.659, 1.660, 1.661,	

Issue		For Records Request: identify the necessary records, the company contact and date due to the agency. For Alleged and Potential Violation issues: include the rule in question with the clearly described potential problem. Other type of issues: fully describe.	
No.	Type ¹	Rule Citation (if known)	Description of Issue
1	AV	307K 300.125(c)	ensure proper quality/quantity of water throughout WWTP; 5 foot blank (1 ft water depth); 5 ft result of 950mg; 6 min of sludge (the color is not clear, white, if blank was appear difficult to settle; sludge balls noted in clear
2	AV	307K 317	must provide functional & a mechanical ventilation in crawl space (no
		respond with:	Submit one sludge haul in vials; provide documentation of received blank test (top bucket)
			must read must results.

Did the TCEQ document the regulated entity named above operating without proper authorization?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Did the investigator advise the regulated entity representative that continued operation is not authorized?	<input type="checkbox"/> Yes	<input type="checkbox"/> No <i>2/1/2</i>

<i>Karl John Kirk Fisher</i> Investigator Name (Signed & Printed)	2/8/2013 Date	<i>Randy Corley</i> Randy Corley Regulated Entity Representative Name (Signed & Printed)	8-14-13 Date
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(Note: Use additional pages if necessary) Page 1 of 1

Bryan W. Shaw, Ph.D., P.E., *Chairman*

Toby Baker, *Commissioner*

Jon Niernman, *Commissioner*

Stephanie Bergeron Perdue, *Interim Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

July 31, 2018

CERTIFIED MAIL - RETURN RECEIPT REQUESTED 9489 0090 0027 6009 3759 54

Mr. Chris Baughman, President
Valley Ranch Municipal Utility District No. 1
3200 Southwest Freeway, Suite 2600
Houston, Texas 77027

Re: Notice of Enforcement
Valley Ranch Wastewater Treatment Facility
RN104614797, TPDES Permit No. WQ0014579001, EPA ID No. TX0127710
CCEDS Investigation No. 1500160

Dear Mr. Baughman:

We have conducted a record review investigation of the self-reported data for the above-referenced permit and noted the following alleged violations.

Alleged Violations

1.	Failure to comply with the permit effluent limit for Total Ammonia Nitrogen daily average (mg/L) at Outfall 001B for the monitoring periods ending 01/31/2018, 02/28/2018 and 03/31/2018.
2.	Failure to comply with other permit effluent limits during the period of 04/01/2017 through 03/31/2018.

The Legislature has granted enforcement powers to the TCEQ to carry out its mission to protect human health and the environment. Due to the apparent seriousness of the alleged violations, formal enforcement action has been initiated, and additional violations may be cited upon further review. We encourage you to immediately begin taking actions to address the outstanding alleged violations.

In responding with prompt corrective action, the administrative penalty to be assessed may be limited.

Mr. Chris Baughman
Page 2

The Commission recognizes that the great majority of the regulated community wants to prevent pollution and to comply with environmental laws. We dedicate considerable resources toward making voluntary compliance achievable. But where compliance has not been met it is our duty to protect the public and the environment by enforcing the state's environmental laws, regulations, and permits.

Also, if you believe the violations documented in this notice have been cited in error, **and** you have additional information that we are unaware of, you may request a meeting to discuss this enforcement matter. To request a meeting, send a letter describing the additional information to the address shown below.

Manager, Water Section
Enforcement Division, MC 219
Re: Enforcement Meeting Request
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

If you or members of your staff have any questions, please feel free to contact Ms. Lisa Westbrook of my staff at (512) 239-1160.

Sincerely,



Ms. Lynley Doyen, Manager
Compliance Monitoring Section
Texas Commission on Environmental Quality

cc: Jim Wolfe, Operator, Valley Ranch Municipal Utility District No. 1, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027

Alyssa Ollwerther, Legal Assistant, Allen Boone Humphries Robinson LLP,
3200 Southwest Freeway, Suite 2600, Houston, Texas 77027

Protecting Texas by Reducing and Preventing Pollution

Mr. Robert Seale, Attorney
Allen Boone Humphries Robinson LLP
3200 Southwest Freeway, Suite 2600
Houston, Texas 77027

Re: Proposed Agreed Order
Valley Ranch Municipal Utility District No. 1; RN104614797
TPDES Permit No. WQ0014597001
Docket No. 2018-1083-MWD-E; Enforcement Case No. 56497
FOR SETTLEMENT PURPOSES ONLY

The Executive Director of the Texas Commission on Environmental Quality ("Commission" or "TCEQ") is pursuing an enforcement action against Valley Ranch Municipal Utility District No. 1 for violations of the Texas Water Code and Commission Rules. These violations were discovered during a record review conducted on July 10, 2018, and documented in a letter dated July 31, 2018, from the TCEQ Compliance Monitoring Team.

If you have any questions regarding this matter, we are available to discuss them in a conference in Austin or over the telephone. If we reach agreement in a timely manner, the TCEQ will then proceed with the remaining procedural steps to settle this matter. These steps include publishing notice of the proposed order in the *Texas Register*, and scheduling the matter for approval by the Commission. We believe that handling this matter expeditiously could save Valley Ranch Municipal Utility District No. 1 and the TCEQ a significant amount of time, as well as the expense associated with litigation.

11. $f(x) = x^2 + 1$, $g(x) = x^2 + 1$

Mr. Robert Seale
Page 2
August 20, 2018

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

Should you believe you are unable to pay the proposed administrative penalty, you may claim financial inability to pay part or all of the penalty amount. Please contact us immediately to obtain a list of financial disclosure documents that must be submitted within 30 days of the receipt of this letter. These documents, once properly completed and submitted, will be thoroughly reviewed to determine if we agree with the claim of financial inability. Please be aware that if financial inability is proven to the satisfaction of staff, discussions pertaining to the penalty amount adjustment will focus only on deferral and not on waiver of the penalty amount.

You may be able to perform or contribute to a Supplemental Environmental Project ("SEP"), which is a project that benefits the environment, to offset a portion of your penalty. **If you are interested in performing an SEP, you must agree to the penalty amount and submit an SEP proposal within 30 days of receipt of this proposed order.** If you are a local government you may have additional SEP options available to assist you with coming into compliance or remediating the harm caused by the violations. A local government is defined as a school district, county, municipality, junior college district, river authority, water district or other special district or other political subdivision created under the constitution or a statute of this state.

For additional information about the types of SEPs available and eligibility criteria, please go to the TCEQ's web site link at <http://www.tceq.texas.gov/legal/sep/> or contact the Enforcement Coordinator listed below.

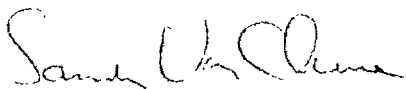
Please note that any agreements we reach are subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).

If we cannot reach a settlement of this enforcement action or you do not wish to participate in this expedited process, we will proceed with enforcement under the Commission's Enforcement Rules, 30 TEX. ADMIN. CODE ch. 70. Specifically, if the signed order and penalty are not mailed and postmarked within 60 days from the date of this letter, your case will be forwarded to the Litigation Division and this settlement offer will no longer be available. The enforcement process described in 30 TEX. ADMIN. CODE ch. 70 requires the staff to prepare and issue an Executive Director's Preliminary Report and Petition to the Commission. If you would like to obtain a copy of 30 TEX. ADMIN. CODE ch. 70, or any other TCEQ rules, the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules* (GI-032) are located on our agency website at <http://www.tceq.texas.gov> for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from the Central Office Publications Ordering Team at (512) 239-0028.

Mr. Robert Seale
Page 3
August 20, 2018

For any questions or comments about this matter or to arrange a meeting, please contact Ms. Harley Hobson of my staff at (512) 239-1337.

Sincerely,



Sandy Van Cleave, Manager
Enforcement Division
Texas Commission on Environmental Quality

SV/hh

Enclosures: Proposed Agreed Order, Return Envelope, Penalty Calculation Worksheet,
Effluent Violation Table, Site Compliance History

cc: Mr. Chris Baughman, President, Valley Ranch Municipal Utility District No. 1,
3200 Southwest Freeway, Suite 2600, Houston, Texas 77027
Mr. David Oliver Jr., Attorney, Valley Ranch Municipal Utility District No. 1,
3200 Southwest Freeway, Suite 2600, Houston, Texas 77027

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
VALLEY RANCH MUNICIPAL
UTILITY DISTRICT NO. 1
RN104614797

§
§
§
§
§
§

BEFORE THE

TEXAS COMMISSION ON

ENVIRONMENTAL QUALITY

AGREED ORDER DOCKET NO. 2018-1083-MWD-E

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Valley Ranch Municipal Utility District No. 1 (the "Respondent") under the authority of TEX. WATER CODE chs. 7 and 26. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent presented this Order to the Commission.

The Respondent understands that they have certain procedural rights at certain points in the enforcement process, including the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Order, the Respondent agrees to waive all notice and procedural rights.

It is further understood and agreed that this Order represents the complete and fully-integrated agreement of the parties. The provisions of this Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Order unenforceable, the remaining provisions shall be valid and enforceable. The duties and responsibilities imposed by this Order are binding upon the Respondent.

The Commission makes the following Findings of Fact and Conclusions of Law:

I. FINDINGS OF FACT

1. The Respondent owns and operates a Wastewater facility located approximately 4,400 feet west of the crossing of United States Highway 59 over White Oak Creek in Porter in Montgomery County, Texas (the "Facility"). The Facility is near or adjacent to water in the state as defined in TEX. WATER CODE § 26.001(5).
2. During a record review conducted on July 10, 2018, an investigator documented that the Respondent failed to comply with permit effluent limitations. As shown in the effluent violation table below:

	Total Nitrogen Ammonia Daily Average Concentration	Total Nitrogen Ammonia Single Grab Concentration	Total Nitrogen Ammonia Daily Average Loading
Monitoring Period	Limit = 3 mg/L	Limit = 15 mg/L	Limit = 5 lbs/day
January 2018	6.38	c	5.62
February 2018	4.8	c	c
March 2018	18	30	23

c = compliant mg/L = milligrams per liter lbs/day = pounds per day

3. The Executive Director recognizes that by May 31, 2018, the Respondent completed an expansion of the Facility and returned to compliance with all permitted effluent limitations.

II. CONCLUSIONS OF LAW

1. As evidenced by Finding of Fact No. 1, the Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. WATER CODE ch. 26 and the rules of the TCEQ.
2. As evidenced by Finding of Fact No. 2, the Respondent failed to comply with permitted effluent limitations, in violation of TEX. WATER CODE § 26.121(a)(1), 30 TEX. ADMIN. CODE § 305.125(1), and Texas Pollutant Discharge Elimination System ("TPDES") Permit No. WQ0014597001, Interim I Effluent Limitations and Monitoring Requirements No. 1.
3. An administrative penalty in the amount of \$7,438 is justified by the facts recited in this Order, and considered in light of the factors set forth in TEX. WATER CODE § 7.053. The Respondent paid the \$7,438 penalty.

III. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. The Respondent is assessed a penalty as set forth in Conclusion of Law No. 4 for violations of state statutes and rules of the TCEQ. The payment of this penalty and the Respondent's compliance with all the requirements set forth in this Order resolve only the matters set forth by this Order in this action. The Commission shall not be constrained in any manner from requiring corrective actions or penalties for violations that are not raised here. Penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Valley Ranch MUD 1, Docket No. 2018-1083-MWD-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. All relief not expressly granted in this Order is denied.
3. The duties and provisions imposed by this Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of this Order to personnel who maintain day-to-day control over the Facility operations referenced in this Order.
4. The Executive Director may grant an extension of any deadline in this Order or in any plan, report, or other document submitted pursuant to this Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
5. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms in this Order.
6. This Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Order, whichever is later.
7. This Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
8. This Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively,

the terms: electronic transmission, owner, person, writing, and written, shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

9. The effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Date

For the Executive Director

Date

I, the undersigned, have read and understand the attached Order. I am authorized to agree to the attached Order, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this Order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

Signature

Date

Name (Printed or typed)
Authorized Representative of
Valley Ranch Municipal Utility District No. 1

Title

☐ *If mailing address has changed, please check this box and provide the new address below:*

Instructions: Send the original, signed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Ordering Provision 1 of this Order.



Penalty Calculation Worksheet (PCW)

PCW, Revision 4 (April 2014)

PCW, Revision March 26, 2014

TCEQ

DATES

Assigned

6-Aug-2018

PCW

7-Aug-2018

Screening

6-Aug-2018

EPA Due

RESPONDENT/FACILITY INFORMATION

Respondent

Valley Ranch Municipal Utility District No. 1

Reg. Ent. Ref. No.

RN104614797

Facility/Site Region

12-Houston

Major/Minor Source

Minor

CASE INFORMATION

Enf./Case ID No.

56497

Docket No.

2018-1083-MWD-E

Media Program(s)

Water Quality

Multi-Media

No. of Violations

2

Order Type

Findings

Government/Non-Profit

Yes

Enf. Coordinator

Harley Hobson

EC's Team

Enforcement Team 1

Admin. Penalty \$ Limit Minimum

\$0

Maximum

\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)

Subtotal 1

\$8,750

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History

10.0%

Adjusted

Subtotals 2, 3, & 7

\$875

Notes

Enhancement for three months of self-reported effluent violations and one NOV with same/similar violations. Reduction for a high performer classification.

Culpability

No

0.0%

Enhancement

Subtotal 4

\$0

Notes

The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments

Subtotal 5

-\$2,187

Economic Benefit

0.0% Enhancement*

Subtotal 6

\$0

Total EB Amounts

\$7,911

Estimated Cost of Compliance

\$342,371

*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7

Final Subtotal

\$7,438

OTHER FACTORS AS JUSTICE MAY REQUIRE

0.0%

Adjustment

\$0

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount

\$7,438

STATUTORY LIMIT ADJUSTMENT

Final Assessed Penalty

\$7,438

DEFERRAL

0.0%

Reduction

Adjustment

\$0

Reduces the Final Assessed Penalty by the indicated percentage.

Notes

No deferral is recommended for Findings Orders.

PAYABLE PENALTY

\$7,438

Screening Date 6-Aug-2018

Docket No. 2013-1093-MWD-E

PCW

Respondent Valley, Marion Municipal Utility District No. 1

Case ID No. 56477

12/1/2013 10:00:00 AM

Reg. Ent. Reference No. PN104614797

Media [Statute] water quality

Enf. Coordinator Marie, Hedges

Compliance History Worksheet

> Compliance History Site Enhancement (Subtotal 2)

Component	Number of:	Number	Adjustment
NOVs	Written notices of violation (NOVs) for violations meeting criteria for the current enforcement action (number of NOVs meeting criteria)	4	2%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government or any final prohibitory emergency orders issued by the commission	0	0%
Judgments	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgments or consent decrees meeting criteria)	0	0%
Consent Decrees	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	0	0%
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a plan to meet, future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 2%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

High Performer

Adjustment Percentage (Subtotal 7) 10%

>> Compliance History Summary

Compliance
History
Notes

Enhancement for three months of self-reported effluent violations and one NOV with same stream violations. Reduction for a high performer classification.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 12%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 10%

Screening Date 6-Aug-2018

Docket No. 2018-1083-MWD-E

PCW

Respondent Valley Ranch Municipal Utility District No. 1

Policy Revision 1 (April 2014)

Case ID No. 56497

PCW Revision March 25, 2014

Reg. Ent. Reference No. RN104614797

Media [Statute] Water Quality

Enf. Coordinator Harley Hobson

Violation Number 1

Rule Cite(s)

Tex. Water Code § 26.121(a)(1), 30 Tex. Admin. Code § 305.125(1), and Texas Pollutant Discharge Elimination System (TPDES) Permit No. WQ0014597001, Interim Effluent Limitations and Monitoring Requirements No. 1

Violation Description

Failed to comply with permitted effluent limitations, as shown in the attached violation table.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

	Major	Moderate	Minor
Release Actual	X		
Potential			

Percent 30.0%

>> Programmatic Matrix

	Major	Moderate	Minor
Falsification			

Percent 0.0%

Matrix Notes

A simplified model was used to evaluate ammonia nitrogen to determine whether the discharged amounts of pollutants exceeded levels protective of human health or the environment. Human health or the environment has been exposed to pollutants which exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$17,500

\$7,500

Violation Events

Number of Violation Events

1

31

Number of violation days

daily	
weekly	
monthly	X
quarterly	
semi annual	
annual	
irregular	

Violation Base Penalty \$7,500

One monthly event is recommended for the month of March 2018

Good Faith Efforts to Comply

25.0%

Reduction \$1,875

Extraordinary	
Ordinary	X
N/A	

Notes

The Respondent achieved compliance on May 31, 2018

Violation Subtotal \$5,625

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$8,911

Violation Final Penalty Total \$6,375

This violation Final Assessed Penalty (adjusted for limits) \$6,375

Economic Benefit Worksheet

Respondent Valdez Ranch Municipal Utility District No. 1
 Case ID No. 36497
 Reg. Ent. Reference No. RN104614797
 Media Water Quality
 Violation No. 1

Percent Interest 5.0%
 Years of Depreciation 15

Item Description Item Cost Date Required Final Date Yrs Interest Saved Costs Saved EB Amount

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$342,371	31-Jan-2018	9-April-2018	0.52	\$8,911	n/a	\$8,911

Notes for DELAYED costs

Current estimated cost to complete an expansion of the facility to return to compliance with all permitted effluent limitations. Date required is the initial date of non-compliance. Final date is the date of compliance

Avoided Costs

ANNUALIZE avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$342,371

TOTAL

\$3,911

Screening Date 6-Aug-2018

Docket No. 2018-1083-MWD-E

PCW

Respondent Valley Ranch Municipal Utility District No. 1

Policy Revision 4 (April 2014)

Case ID No. S6497

PCW Revision March 26, 2014

Reg. Ent. Reference No. RRI04614797

Media [Statute] Water Quality

Enf. Coordinator Harley Hobson

Violation Number 2

Rule Cite(s)

Tex. Water Code § 26.121(a)(1), 30 Tex. Admin. Code § 205.125(1), and TPDES
Permit No. WQ0014597001 Interim I Effluent Limitations and Monitoring
Requirements No. 1

Violation Description

Failed to comply with permitted effluent limitations, as shown in the attached
violation table

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 5.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix
Notes

A simplified model was used to evaluate ammonia nitrogen to determine whether the discharged
amounts of pollutants exceeded levels protective of human health or the environment. Human
health or the environment has been exposed to insignificant amounts of pollutants that do not
exceed levels that are protective of human health or environmental receptors as a result of the
violation

Adjustment \$23,750

\$1,250

Violation Events

Number of Violation Events 1

59

Number of violation days

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

Violation Base Penalty \$1,250

One quarterly event is recommended for the quarter containing the months of January 2018 and
February, 2018.

Good Faith Efforts to Comply

25.0%

Reduction \$312

	Before NOE/NOV	NOE/NOV to EOPRP/Settlement Offer
	Extraordinary	
Ordinary	X	
N/A		

Notes

The Respondent achieved compliance on
May 31, 2018

Violation Subtotal \$938

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$1,063

This violation Final Assessed Penalty (adjusted for limits) \$1,063

Economic Benefit Worksheet

Respondent Valley Region Municipalities & District No. 1
Case ID No. 58497
Reg. Ent. Reference No. RM104614737
Media Water Quality
Violation No. 1

Percent Interest 5.71
Years of Depreciation 15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
Delayed Costs							
Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

See Economic Benefit for Violation No. 1

Avoided Costs

ANNUALIZE avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$0

TOTAL

\$0

Valley Ranch MUD 1
Docket No. 2018-1083-MWD-E
TPDES Permit No. WQ0014597001
Case No. 56497

Effluent Violation Table

	Total Nitrogen Ammonia Daily Average Concentration	Total Nitrogen Ammonia Single Grab Concentration	Total Nitrogen Ammonia Daily Average Loading
Monitoring Period	Limit = 3 mg/L	Limit = 15 mg/L	Limit = 5 lbs/day
January 2018	6.38	c	5.62
February 2018	4.8	c	c
March 2018	18	30	23

c = compliant mg/L = milligrams per liter lbs/day = pounds per day

The TCEQ is committed to accessibility.
To request a more accessible version of this report, please contact the TCEQ Help Desk at (512) 239-4357.



TCEQ Compliance History Report

Compliance History Report for CN602863979, RN104614797, Rating Year 2017 which includes Compliance History (CH) components from September 1, 2012, through August 31, 2017.

Customer, Respondent, or Owner/Operator: CN602863979, Valley Ranch Municipal Utility District No. 1
Classification: HIGH
Rating: 0.00

Regulated Entity: RN104614797, VALLEY RANCH WWTP
Classification: HIGH
Rating: 0.00

Complexity Points: 5
Repeat Violator: NO

CH Group: 08 - Sewage Treatment Facilities

Location: APPROXIMATELY 4,400 FEET WEST OF THE CROSSING OF UNITED STATES HIGHWAY 59 OVER WHITE OAK CREEK IN MONTGOMERY COUNTY, TEXAS

TCEQ Region: REGION 12 - HOUSTON

ID Number(s):

WASTEWATER PERMIT WQ0014597001

WASTEWATER EPA ID TX0127710

Compliance History Period: September 01, 2012 to August 31, 2017
Rating Year: 2017
Rating Date: 09/01/2017

Date Compliance History Report Prepared: August 06, 2018

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: August 06, 2013 to August 06, 2018

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: Harley Hobson

Phone: (512) 239-1337

Site and Owner/Operator History:

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

N/A

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

D. The approval dates of investigations (CCEDS Inv. Track. No.):

Item 1	August 21, 2013	(1127161)	Item 14	November 17, 2014	(1220552)
Item 2	September 13, 2013	(1131695)	Item 15	December 12, 2014	(1226391)
Item 3	October 14, 2013	(1137443)	Item 16	January 21, 2015	(1233488)
Item 4	November 18, 2013	(1142863)	Item 17	February 18, 2015	(1244371)
Item 5	December 13, 2013	(1149277)	Item 18	March 27, 2015	(1250767)
Item 6	January 21, 2014	(1155387)	Item 19	April 23, 2015	(1257657)
Item 7	March 17, 2014	(1169307)	Item 20	May 14, 2015	(1264426)
Item 8	April 11, 2014	(1176505)	Item 21	June 15, 2015	(1271502)
Item 9	May 20, 2014	(1182752)	Item 22	September 17, 2015	(1285259)
Item 10	June 17, 2014	(1189619)	Item 23	September 18, 2015	(1292350)
Item 11	July 13, 2014	(1194926)	Item 24	October 30, 2015	(1298526)
Item 12	September 17, 2014	(1207922)	Item 25	November 19, 2015	(1303972)
Item 13	October 22, 2014	(1214326)	Item 26	December 18, 2015	(1310972)

Item 27	January 19, 2016	(1317740)	Item 40	February 09, 2017	(1406131)
Item 28	February 16, 2016	(1327092)	Item 41	March 10, 2017	(1413239)
Item 29	March 10, 2016	(1333883)	Item 42	April 10, 2017	(1419704)
Item 30	April 18, 2016	(1341009)	Item 43	May 08, 2017	(1427347)
Item 31	May 13, 2016	(1347816)	Item 44	June 04, 2017	(1433335)
Item 32	June 22, 2016	(1354226)	Item 45	July 07, 2017	(1441927)
Item 33	July 13, 2016	(1361725)	Item 46	August 08, 2017	(1443555)
Item 34	September 12, 2016	(1371054)	Item 47	September 12, 2017	(1450179)
Item 35	October 20, 2016	(1381611)	Item 48	October 13, 2017	(1456144)
Item 36	October 11, 2016	(1381523)	Item 49	November 13, 2017	(1462479)
Item 37	November 07, 2016	(1385485)	Item 50	December 06, 2017	(1469919)
Item 38	December 07, 2016	(1392607)	Item 51	January 09, 2018	(1476615)
Item 39	January 09, 2017	(1399237)			

E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

1	Date:	01/31/2018	(1488774)		
	Self Report?	YES		Classification:	Moderate
	Citation:	2D TWC Chapter 26, SubChapter A 26.121(a) 30 TAC Chapter 305, SubChapter F 305.125(1)			
	Description:	Failure to meet the limit for one or more permit parameter			
2	Date:	02/28/2018	(1492438)		
	Self Report?	YES		Classification:	Moderate
	Citation:	2D TWC Chapter 26, SubChapter A 26.121(a) 30 TAC Chapter 305, SubChapter F 305.125(1)			
	Description:	Failure to meet the limit for one or more permit parameter			
3	Date:	03/31/2018	(1495740)		
	Self Report?	YES		Classification:	Moderate
	Citation:	2D TWC Chapter 26, SubChapter A 26.121(a) 30 TAC Chapter 305, SubChapter F 305.125(1)			
	Description:	Failure to meet the limit for one or more permit parameter			
4	Date:	07/25/2018	(1467243)		
	Self Report?	NO		Classification:	Minor
	Citation:	30 TAC Chapter 319, SubChapter A 319.11(c)			
	Description:	The facility failed to properly analyze effluent samples. Specifically, the total chlorine residual secondary standards expiration had faded off and could not be read and the chlorine buffers had expired on February 2017.			
	Self Report?	NO		Classification:	Moderate
	Citation:	2D TWC Chapter 26, SubChapter A 26.121(a)(1) 30 TAC Chapter 305, SubChapter F 305.125(1)			
	Description:	The facility failed to maintain compliance with the permitted effluent limits. Specifically, the grab sample collected during the investigation was not compliant with the single grab maximum limit of 4.0 mg/L for total chlorine residual.			
	Self Report?	NO		Classification:	Minor
	Citation:	30 TAC Chapter 305, SubChapter F 305.125(S)			
	Description:	The permittee shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) installed or used by the permittee to achieve compliance with the permit conditions.			

F. Environmental audits:

N/A

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

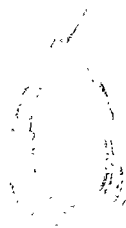
N/A

ATTACHMENT NO. 6
FINANCIAL DOCUMENTS

BOOKKEEPER REPORT

Valley Ranch Municipal Utility District

October 24, 2018



DISTRICT DATA
SERVICES

9575 Katy Fwy, Suite 390
Houston, TX 77024
O: 713-932-7908 F: 713-932-8809
Stephanie@districtdataservices.com

Valley Ranch MUD

Operating Fund - Cash Analysis

Operating Fund

Ending Cash Balance At Last Meeting	9/26/2018	\$	15,478.87
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RECEIPTS:

Tap Fees (incl backcharges)	\$	31,522.94
Water	\$	46,087.05
Sewer	\$	44,322.44
Penalty	\$	1,023.91
Operator Miscellaneous	\$	1,271.45
Deposits	\$	1,400.00
Grease Trap	\$	100.00
Texpool Transfer	\$	190,000.00
Interest	\$	27.38
Voided Checks	\$	-
CPF Trsf	\$	-

Total Receipts for the Month:	\$	315,755.17
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Total Cash Available:	\$	331,234.04
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Expenditures:

3792	CenturyLink	Telephone	\$	(106.38)
3793	Entergy	Utilities	\$	(4,950.42)
3794	Porter SUD	Water Usage	\$	(73,335.96)
3798	ABHR	08/2018 Legal Fees	\$	(9,116.55)
Auto	Compass Bank	Service Fees	\$	(18.00)
Auto	Compass Bank	08/2018 NSF/ACH Fees/Process/Debit Correct	\$	(485.39)

Expenses Presented for Approval (see itemized listing pg. 2)	\$	(238,662.79)
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*Checks Written Subsequent to Prior Meeting

Total Expenditures for the Month:	\$	(326,675.49)
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Current Cash Balance: Compass	10/24/2018	\$	4,558.55
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Porter SUD Reserve	\$	(420,000.00)
Operating Reserve (1yr)	\$	(1,200,000.00)

Investment Activity:	Deposits	Withdrawals				
Texpool 79145-7914500002	\$	4,806.96	\$	(190,000.00)	9/30/2018	1.9953%
						\$1,542,546.53

Total Operating Fund Balance:	\$	(72,894.92)
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Valley Ranch MUD
Operating Fund Expenditures
October 24, 2018

Num	Name	Memo	Amount
3799	Chris Baughman	Dir Fee/Exp 09/26/18	\$ (138.52)
3800	Corey Mills	Dir Fee/Exp 09/26/18	\$ (162.50)
3801	David M. Knighten	Dir Fee/Exp 09/26/18	\$ (162.50)
3802	Kyle Hoegemeyer	Dir Fee/Exp 09/26/18	\$ (138.52)
3803	Neal J Brussell	Dir Fee/Exp 09/26/18	\$ (138.52)
Auto	Internal Revenue Service	76-0819191	\$ (114.80)
3804	ABHR	09/2018 Legal Fees	\$ (15,479.43)
3805	AUC Group, L.P.	12/2018 WWTP Leases	\$ (21,525.00)
3806	AWBD	Registration Fees	\$ (690.00)
3807	District Data Services, Inc.	10/2018 Bookkeeping Expense	\$ (1,071.54)
3808	DSHS Central Lab	Lab Fees	\$ (8.49)
3809	Inframark, LLC	08/2018 R&M	\$ (42,179.15)
3810	Lake Pro, Inc.	10/2018 Maintenance	\$ (480.00)
3811	McGrath & Co, PLLC	Interim Audit Billing - FYE 06/30/18	\$ (10,500.00)
3812	Storm Water Solutions	Storm Wtr Mgmt	\$ (3,172.36)
3813	Alice/Mark Barrientos	21468 Naples Hollow/Dep Less Final	\$ (45.90)
3814	Heather Hale	21414 Broken Spear/Dep Ref	\$ (75.00)
3815	Ashleigh Norris/Mark Miller	22500 Toronado Ridge/Dep Less Final	\$ (243.31)
3816	Dannenbaum Engineering Corp.	09/2018 Engineering Fees	\$ (12,846.55)
3817	Inframark, LLC	08/2018 Operations	\$ (5,155.70)
3818	Porter Special Utility District	3rd Qtr 2018 IMPACT Fees	\$ (124,200.00)
3819	CenturyLink	Telephone	\$ -
3820	Entergy	Utilities	\$ -
3821	Porter Special Utility District	Water Usage	\$ -
3822	Inframark, LLC	08/2018 Operations Supplemental	\$ (135.00)
			\$ (238,662.79)
			<u>\$ (238,662.79)</u>

Valley Ranch MUD Capital Projects Fund

Capital Projects Fund

Ending Cash Balance At Last Meeting	9/26/2018	\$	(1,975.03)
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RECEIPTS:

Bond Proceeds	\$	-
Mmkt Transfer	\$	8,000.00
Interest	\$	-

Total Receipts for the Month	\$	8,000.00
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Total Cash Available:	\$	6,024.97
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Expenditures:

5247	ABHR	09/2018 Legal Fees	\$	(4,092.50)
Trsfr	Transfer to Mmkt	Transfer	\$	-
Auto	Compass Bank	Service Fee	\$	-

*Checks Written Subsequent to Prior Meeting

Total Expenditures for the Month:	\$	(4,092.50)
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Current Cash Balance: Compass #81646	10/24/2018	\$	1,932.47
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Investment Activity:	Deposits	Withdrawals			
Comp Mmkt '17 #2530955624	\$	18.82	\$	(8,018.00)	9/30/2018 0.2500% \$72,942.23

Total Capital Projects Fund Balance:	\$	74,874.70
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Valley Ranch MUD

Debt Service Fund

Debt Service Fund

Ending Cash Balance At Last Meeting	9/26/2018	\$	274.76
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RECEIPTS:

Interest	\$	0.04
Bond Proceeds	\$	-

Total Receipts for the Month:	\$	0.04
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Total Cash Available:	\$	274.80
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Expenditures:

Auto	Compass Bank	Service Fee	\$	(0.04)
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Total Expenditures for the Month:	\$	(0.04)
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Current Cash Balance: Compass#84350	10/24/2018	\$	274.76
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Investment Activity:

	Deposits	Withdrawals			
Texpool 79145-7914500003	\$ 1,371.07	\$ -	9/30/2018	1.9953%	\$837,005.07

Total Debt Service Fund Balance:	\$	837,279.83
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Valley Ranch MUD

Debt Service Schedule

Debt Service Schedule							
				Paying Agent: Wells Fargo/BONY*			
	3/1/2019	9/1/2018	3/1/2020	9/1/2020	3/1/2021	9/1/2021	
Series							
2009							
Principal	\$ -	\$ 70,000.00	\$ -	\$ -	\$ -	\$ 60,000.00	
Interest	\$ 2,205.00	\$ 2,205.00	\$ -	\$ -	\$ 4,065.00	\$ 4,065.00	
(Payoff 2020)							
2010							
Principal	\$ -	\$ 55,000.00	\$ -	\$ 60,000.00	\$ -	\$ 60,000.00	
Interest	\$ 41,173.13	\$ 41,173.13	\$ 40,073.13	\$ 40,073.13	\$ 38,873.13	\$ 38,873.13	
(Payoff 2036)							
2012							
Principal	\$ -	\$ 50,000.00	\$ -	\$ 50,000.00	\$ -	\$ 50,000.00	
Interest	\$ 23,281.25	\$ 23,280.25	\$ 22,656.25	\$ 22,656.25	\$ 21,937.50	\$ 21,937.50	
(Payoff 2038)							
2014*							
Principal	\$ -	\$ 40,000.00	\$ -	\$ 40,000.00	\$ -	\$ 45,000.00	
Interest	\$ 29,536.88	\$ 29,536.88	\$ 29,036.88	\$ 29,036.88	\$ 28,476.88	\$ 28,476.88	
(Payoff 2039)							
2014A*							
Principal	\$ -	\$ 30,000.00	\$ -	\$ 30,000.00	\$ -	\$ 30,000.00	
Interest	\$ 17,092.50	\$ 17,092.50	\$ 16,642.50	\$ 16,642.50	\$ 16,192.50	\$ 16,192.50	
(Payoff 2039)							
2016							
Principal	\$ -	\$ 100,000.00	\$ -	\$ 100,000.00	\$ -	\$ 100,000.00	
Interest	\$ 27,050.00	\$ 27,050.00	\$ 26,450.00	\$ 26,450.00	\$ 25,800.00	\$ 25,800.00	
(Payoff 2039)							
2016A (REF)							
Principal	\$ -	\$ 120,000.00	\$ -	\$ 195,000.00	\$ -	\$ 195,000.00	
Interest	\$ 63,600.00	\$ 63,600.00	\$ 62,400.00	\$ 62,400.00	\$ 60,450.00	\$ 60,450.00	
(Payoff 2036)							
2017							
Principal	\$ -	\$ 85,000.00	\$ -	\$ 85,000.00	\$ -	\$ 90,000.00	
Interest	\$ 67,275.00	\$ 67,275.00	\$ 65,150.00	\$ 65,150.00	\$ 63,025.00	\$ 63,025.00	
(Payoff 2043)							
2018							
Principal	\$ -	\$ 50,000.00	\$ -	\$ 55,000.00	\$ -	\$ 60,000.00	
Interest	\$ 45,256.25	\$ 45,256.25	\$ 43,881.25	\$ 43,881.25	\$ 42,368.75	\$ 42,368.75	
(Payoff 2043)							
Totals	\$316,470.01	\$916,469.01	\$306,290.01	\$921,290.01	\$301,188.76	\$991,188.76	
Annual Total:	\$1,232,939.02		\$1,227,580.02		\$1,292,377.52		

Valley Ranch MUD
Operating Fund Budget Comparison
July 2018-June 2019

	3 Mo. Actual	3 Mo. Adopted	Adopted	
	Jul-Sept '18	Jul-Sept '18	\$ Over Budget	Jul '18 - Jun '19
Ordinary Income/Expense				
Income				
1.4100 - Water Service Fees	153,560.94	95,001.00	58,559.94	380,000.00
1.4200 - Sewer Service Fees	141,880.84	95,001.00	46,879.84	380,000.00
1.4300 - Penalty	3,002.04	2,376.00	626.04	9,500.00
1.4600 - Tap Fees	122,835.00	150,000.00	-27,165.00	600,000.00
1 1.5380 -- Misc. Income	4,199.85	501.00	3,698.85	2,000.00
1.5391 - Interest Income	9,341.99	6,000.00	3,341.99	24,000.00
2 1.5398 - Maintenance Tax	1,545.17	0.00	1,545.17	275,000.00
Total Income	436,365.83	348,879.00	87,486.83	1,670,500.00
Expense				
1.6100 -- Bulk Water Purchase	173,295.25	84,999.00	88,296.25	340,000.00
1.6120 - Porter MUD	0.00	0.00	0.00	0.00
1.6161 - Garbage Collections	24,722.16	31,500.00	-6,777.84	126,000.00
1.6235 - Repair & Maintenance	107,164.77	62,499.00	44,665.77	250,000.00
1.6236 - Storm Water Mgmt	3,172.36	5,001.00	-1,828.64	20,000.00
1.6270 - Tap Expenditure	35,449.52	24,999.00	10,450.52	100,000.00
1.6300 -- Impact Fees	68,400.00	37,500.00	30,900.00	150,000.00
1.6310 - Director Fee	3,300.00	3,000.00	300.00	12,000.00
1.6320 - Legal Fees	35,185.54	24,000.00	11,185.54	96,000.00
1.6321 - Auditing Fees	0.00	0.00	0.00	12,000.00
1.6322 - Engineering	8,754.80	7,500.00	1,254.80	30,000.00
1.6324 - Lab Fees	0.00	1,251.00	-1,251.00	5,000.00
1.6326 - Permit Fees	0.00	0.00	0.00	4,000.00
1.6332 - Operations & Billing	15,814.21	27,249.00	-11,434.79	109,000.00
1.6333 - Bookkeeping	3,920.85	4,251.00	-330.15	17,000.00
1.6340 - Office/Bank Fees	36.00	126.00	-90.00	500.00
1.6352 - Utilities	12,940.62	4,500.00	8,440.62	18,000.00
1.6353 - Insurance/Surety Bond	0.00	0.00	0.00	12,000.00
1.6354 - Travel & Per Diem	256.31	300.00	-43.69	1,200.00
1.6356 - Park Maintenance	2,588.51	5,001.00	-2,412.49	20,000.00
1.6357 - Azalea Connects	0.00	0.00	0.00	0.00
1.6358 - WWTP Lease	56,650.00	64,575.00	-7,925.00	258,300.00
3 1.6359 - Other Expenses	4,379.77	3,000.00	1,379.77	12,000.00
1.6560 - Payroll Taxes	252.52	201.00	51.52	800.00
1.6561 - WWTP Expansion	49,311.48	0.00	0.00	0.00
1.7500 - Prepaid Bond Exp	21,912.64	0.00	0.00	0.00
Total Expense	627,507.31	391,452.00	164,831.19	1,593,800.00
Net Ordinary Income	-191,141.48	-42,573.00	-77,344.36	76,700.00
Net Income	-191,141.48	-42,573.00	-77,344.36	76,700.00

NOTES

- 1 Most of this line item is a one time payment for utility paid by incorrect district; will not repeat
- 2 This item budgeted at last year's amount until tax rate is set
- 3 A large portion of this item is arbitrage that will not repeat; rest is AWBD exp and misc exp

Valley Ranch Energy Consumption Report

Account No.	Address	Period	Previous Read	Current Read	kWHh Usage	Amount
140354325	21907 Valley Ranch Crossing	06/18/18-07/18/18				
137703849	21883 Azalea Boulevard	06/18/18-07/18/18	28	31	600	\$ 165.40
140540444	21201 Timber Bluff Court	06/18/18-07/18/18	15,703	15,777	74	\$ 17.78
137024980	21310 Valley Ranch Blvd	06/18/18-07/18/18	72,975	72,996	21	\$ 12.15
138113907	21333 Valley Ranch Blvd	06/18/18-07/18/18	92,855	37,460	44,605	\$ 3,106.87
136360914	21365 Valley Ranch Blvd	06/18/18-07/18/18	57,575	60,391	2,816	\$ 290.69
Total for July 25, 2018 Meeting						\$ 3,592.89
140354325	21907 Valley Ranch Crossing	07/18/18-08/16/18	46,055	46,497	442	\$ 8.24
137703849	21883 Azalea Boulevard	07/18/18-08/16/18	31	33	600	\$ 559.04
140540444	21201 Timber Bluff Court	07/18/18-08/16/18	15,777	15,845	68	\$ 17.13
137024980	21310 Valley Ranch Blvd	07/18/18-08/16/18	72,996	73,017	21	\$ 12.15
138113907	21333 Valley Ranch Blvd	07/18/18-08/16/18	37,460	80,629	43,169	\$ 3,091.87
136360914	21365 Valley Ranch Blvd	07/18/18-08/16/18	60,391	63,191	2,800	\$ 289.12
Total for August 22, 2018 Meeting						\$ 3,977.55
140354325	21907 Valley Ranch Crossing	08/16/18-09/21/18	46,882	47,288	406	\$ 106.32
137703849	21883 Azalea Boulevard	08/16/18-09/21/18	33	36	600	\$ 338.75
140540444	21201 Timber Bluff Court	08/16/18-09/21/18	15,845	15,927	82	\$ 18.58
137024980	21310 Valley Ranch Blvd	08/16/18-09/21/18	73,017	82,551	9,534	\$ 1,016.79
138113907	21333 Valley Ranch Blvd	08/16/18-09/21/18	80,629	25,559	44,930	\$ 3,153.24
136360914	21365 Valley Ranch Blvd	08/16/18-09/21/18	63,191	66,290	3,099	\$ 316.74
Total for September 26, 2018 Meeting						\$ 4,950.42

Valley Ranch MUD IMPACT Fees Paid

Date	Chk #	Quarter	Amount
		<i>2006 Total</i>	\$ 70,960.00
		<i>2007 Total</i>	\$ 71,000.00
		<i>2008 Total</i>	\$ 116,000.00
		<i>2009 Total</i>	\$ 53,000.00
		<i>2010 Total</i>	\$ 53,000.00
		<i>2011 Total</i>	\$ 23,000.00
		<i>2012 Total</i>	\$ 26,500.00
		<i>2013 Total</i>	\$ 87,000.00
04/23/2014	2559	1st Quarter 2014	\$ 25,500.00
07/23/2014	2621	2nd Quarter 2014	\$ 16,500.00
10/22/2014	2695	3rd Quarter 2014	\$ 1,500.00
01/28/2015	2759	4th Quarter 2014	\$ 1,500.00
		<i>2014 Total</i>	\$ 45,000.00
4/21/2015	2823	1st Quarter 2015	\$ 12,000.00
07/22/2015	2888	2nd Quarter 2015	\$ 16,500.00
10/28/2015	2953	3rd Quarter 2015	\$ 3,000.00
01/27/2016	3019	4th Quarter 2015	\$ 3,600.00
			\$ 35,100.00
04/27/2016	3075	1st Quarter 2016	\$ 5,400.00
07/27/2016	3140	2nd Quarter 2016	\$ 9,000.00
10/26/2016	3232	3rd Quarter 2016	\$ 3,600.00
01/25/2017	3295	4th Quarter 2016	\$ 7,200.00
			\$ 25,200.00
04/25/2017	3356	1st Quarter 2017	\$ 7,200.00
07/26/2017	3428	2nd Quarter 2017	\$ 27,000.00
9/30/2017	3501	3rd Quarter 2017	\$ 68,400.00
01/24/2018	3571	4th Quarter 2017	\$ 126,000.00
			\$ 228,600.00
4/25/2018	3665	1st Quarter 2018	\$ 55,800.00
7/25/2018	3736	2nd Quarter 2018	\$ 68,400.00
10/24/2017	3818	3rd Quarter 2018	\$ 124,200.00
			\$ 248,400.00
TOTAL PAID TO DATE			\$ 1,082,760.00

Reimbursement Summary

Series 2008 Bonds - \$250,000

Series 2009 Bonds - \$50,000

Series 2010 Bonds - \$228,000 (includes \$160,000 in impact fees paid by multi-family developer not reflected above)

Series 2014 Bonds - \$138,000

**Valley Ranch
Summary of Investments
July to September 2018**

Operating Fund

Asset	Reference No.	Maturity Date	Yield	Beginning Book	Market	Transactions In	Out	Ending Book	Market	Rating
Texpool	7914500002	9/30/2018	1.9953%	\$ 2,015,961.11	\$ 2,015,961.11	\$ 10,835.29	\$ (170,000.00)	\$ 1,856,796.40	\$ 1,856,796.40	AAAm
Balance at September 30, 2018				\$ 2,015,961.11	\$ 2,015,961.11	\$ 10,835.29	\$ (170,000.00)	\$ 1,856,796.40	\$ 1,856,796.40	

Capital Projects

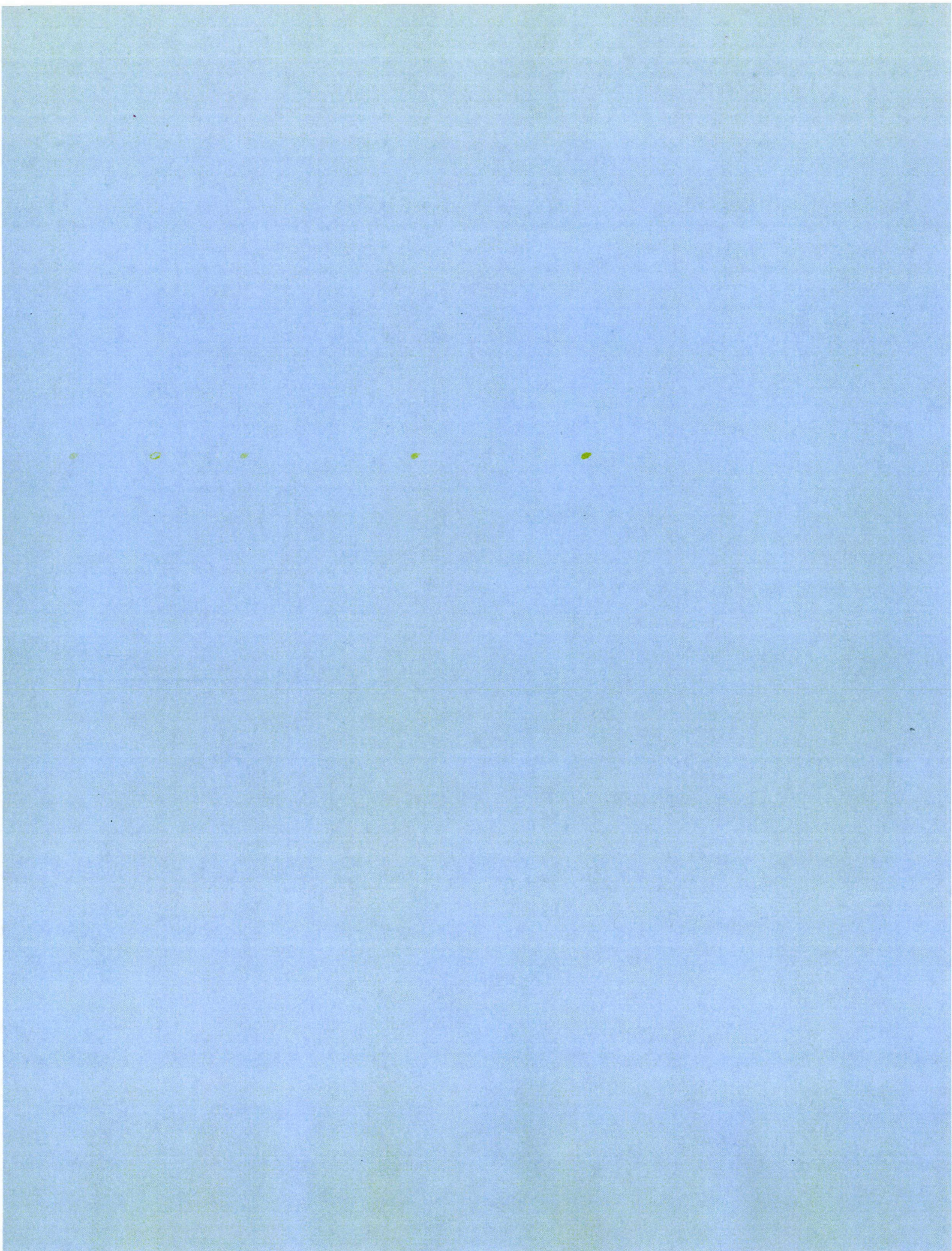
Asset	Reference No.	Maturity Date	Yield	Beginning Book	Market	Transactions In	Out	Ending Book	Market	Rating
Comp Minkt	2530955624	9/30/2018	1.9953%	\$ 59,485.61	\$ 59,485.61	\$ 30,048.19	\$ (8,591.57)	\$ 80,942.23	\$ 80,942.23	Demand Acct
Balance at September 30, 2018				\$ 59,485.61	\$ 59,485.61	\$ 30,048.19	\$ (8,591.57)	\$ 80,942.23	\$ 80,942.23	

Debt Service Fund

Asset	Reference No.	Maturity Date	Yield	Beginning Book	Market	Transactions In	Out	Ending Book	Market	Rating
Texpool	7914500003	9/30/2018	1.9953%	\$ 1,671,544.79	\$ 1,671,544.79	\$ 11,335.08	\$ (845,874.80)	\$ 837,005.07	\$ 837,005.07	AAAm
Balance at September 30, 2018				\$ 1,671,544.79	\$ 1,671,544.79	\$ 11,335.08	\$ (845,874.80)	\$ 837,005.07	\$ 837,005.07	

Investment Officer

Bookkeeper. District Data Services, Inc.



AMENDED RATE ORDER

Effective October 24, 2018

WHEREAS, Valley Ranch Municipal Utility District No. 1 (the "District") is in the process of constructing a water, sewer and storm drainage system to provide service to residential and commercial establishments within the District (the "System"); and

WHEREAS, it is necessary that fees, charges, and conditions be established for service from the District's System; and

WHEREAS, the District has been asked by the State Legislature to adopt and implement a program of water conservation aimed at reducing the consumption of water, reducing the loss or waste of water and improving efficiency in the use of water; and

WHEREAS, it is the District's intent to establish rates for service from the District's System that will encourage sound management of the District's water usage and conservation practices by users within the District; and

WHEREAS, the escalating rates for increased water usage herein adopted by the District are intended to promote conservation and efficient management of the District's water resources. Now, Therefore,

BE IT ORDERED BY THE BOARD OF DIRECTORS OF VALLEY RANCH MUNICIPAL UTILITY DISTRICT NO. 1 THAT:

Section 1: Definitions. The following words or phrases shall have the meanings indicated below:

A. "Single Family Residential User" means a user of the District's System that consists of one residence designed for use and occupancy by a single family unit

B. "Non-Single Family Residential User" means a user of the District's System other than a Single Family Residential User, a Public Space User, and a Non-Taxable User, including, but not limited to, commercial establishments, apartments, churches, schools, and multi-family dwelling units.

C. "Public Space User" means a user of the District's water system only for public esplanades, lakes, recreational areas or green spaces ("Public Spaces").

D. "Non-Taxable User" means any user of the District's water and sewer system that is exempt from ad valorem taxation by the District under state law, including, but not limited to, schools and churches.

F. "Person" includes an individual, corporation, organization, government or governmental subdivision or agency, business trust, estate, trust, partnership, association, and any other legal entity.

F. "Property owner" means a person who owns property within the District.

G. "Renter" means a person who leases or rents property within the District.

Section 2 Tap and Inspection Fees.

A. Tap Fees

1A Single Family Residential Users (Non-Smart Meters): Prior to connection to the District's water system, a tap fee shall be paid to the District. The water system tap fee shall be \$1,800 for a 3/4 × 5/8-inch meter and tap, and \$2,400 for a 1-inch meter and tap. The District's operator will notify the User of the Installation Costs.

Prior to connection to the District's sanitary sewer system, a tap fee of \$75.00 shall be paid to the District. The District's operator will notify the User of the Installation Costs.

1B Single Family Residential Users (Smart Meters): With respect to District sections the utility construction of which begins after October 24, 2018, prior to connection to the District's water system, a tap fee shall be paid to the District. The water system tap fee shall be \$2,250 for a 3/4 × 5/8-inch smart meter and tap, and \$3,225 for a 1-inch smart meter and tap. The District's operator will notify the User of the Installation Costs.

Prior to connection to the District's sanitary sewer system, a tap fee of \$75.00 shall be paid to the District. The District's operator will notify the User of the Installation Costs.

2. Apartment Complexes: Prior to connection to the District's water system, a tap fee shall be paid to the District equal to the actual cost of installing the tap, meter, and necessary service lines, and repairing or restoring any yards, sidewalks, streets, landscaping, concrete or other improvements, affected by the installation (the "Installation Costs") plus ten percent (10%) of the Installation Costs. The District's operator will notify the User of the Installation Costs.

Prior to connection to the District's sanitary sewer system, a tap fee shall be paid to the District equal to the actual cost of installing the tap and necessary service lines and repairing or restoring any yards, sidewalks, streets, landscaping, concrete or other improvements, affected by the installation (the "Installation Costs") plus ten percent (10%) of the

Installation Costs. The District's operator will notify the User of the Installation Costs.

Prior to connection to the District's water, sanitary sewer, and drainage systems, payment will be made for the actual cost of the District's engineer to review and approve plans and specifications for connection to the District's water, sanitary sewer, and drainage systems.

3. Non-Single Family Residential Users (except apartment complexes): Prior to connection to the District's water system, a tap fee shall be paid to the District equal to the actual cost of installing the tap, meter, and necessary service lines, and repairing or restoring any yards, sidewalks, streets, landscaping, concrete or other improvements, affected by the installation (the "Installation Costs") plus three (3) times the Installation Costs. The District's operator will notify the User of the Installation Costs.

Prior to connection to the District's sanitary sewer system, a tap fee shall be paid to the District equal to the actual cost of installing the tap and necessary service lines and repairing or restoring any yards, sidewalks, streets, landscaping, concrete or other improvements, affected by the installation (the "Installation Costs") plus three (3) times the Installation Costs. The District's operator will notify the User of the Installation Costs.

Prior to connection to the District's water, sanitary sewer, and drainage systems, payment will be made for the actual cost of the District's engineer to review and approve plans and specifications for connection to the District's water, sanitary sewer, and drainage systems.

4. Public Space User: All Public Space Users shall be required to have meters installed, which shall be installed by the District's operator. A user requesting a tap for Public Spaces shall pay a tap fee equal to the District's cost to install the tap and meter.

5. Non-Taxable Users:

- (a) Non-taxable Users shall pay a tap fee equal to the District's actual cost of installing the tap, meter and any necessary service lines and the cost of repairing or restoring any yards, sidewalks, streets, landscaping, concrete or other improvements affected by the installation (as determined by the District's operator, together with the District's consultants) plus the User's pro rata share of the District's actual cost of the facilities necessary to provide District services to the non-taxable User that are financed or to be fully or partially financed by the

District's tax bonds (as determined by the District's consultants and approved by the Board of Directors) (the "Installation Costs").

Prior to connection to the District's sewer system, a tap fee for sanitary sewer service shall be paid to the District equal to the District's actual cost of installing the sewer tap plus the Installation Costs shall be paid to the District. The District's operator will notify the User of the Installation Costs.

(b) The District's operator, together with the District's consultants, will determine the Installation Costs, which will then be approved by the Board of Directors and be sent to the User.

6. Irrigation Systems: Prior to connection to the District's water system, a tap fee equal to the District's actual cost for installation plus the cost of the meter shall be paid to the District for irrigation systems that have been authorized by the District and that are to be used solely for the purpose of providing irrigation water to landscaped areas within the District. All such connections to the District's water system shall be made by a representative of the District.

B. Pre-facility Inspection. All builders or contractors for property owners within the District must contact the operator, prior to starting any work on property within the District, to do an inspection to verify District facilities. If any District facility is either damaged or cannot be located, the operator will make necessary repairs or locate and make the facilities visible at the expense of the District. A copy of the inspection report will be given to the builder's or contractor's representative. After the inspection and any necessary work is completed, the builder or contractor will then be responsible for paying the costs of all damages, adjustments, relocations and repairs found during the final site survey. The cost for each inspection shall be \$65.00 and is payable with the tap fee.

C. Facility Inspection. After construction has been completed on the property, but before service is transferred to a user, the District's operator will conduct a final site survey to reinspect the water and sewer tap, meter and all other District facilities on the property for a fee in the amount of \$50.00. The fee shall be collected at the time the tap fee is paid. The property owner, builder or contractor will be held responsible for any damages or adjustments to District facilities and the cost of repairing, adjusting or relocating the facilities (the "Backcharges") before service shall be initiated to a user. If any reinspections of the facilities are required to ensure that the District's facilities are repaired, relocated or adjusted, a fee in the amount of \$50.00 shall be charged for each such reinspection before service will be transferred to a subsequent user. Payment of the Backcharges, or any inspection or reinspection fees shall be made on or before the 30th day after the date of the invoice for said charges. The District may withhold the provision of service to the property

or to other property owned by any user, property owner, builder or contractor who has failed to timely pay for the Backcharges or any inspection or reinspection fee, including specifically the provision of additional taps; provided, however, the District shall follow the notification procedures set forth in this Rate Order prior to withholding the provision of service

Section 3: Platting and Permit Requirements.

A. Permit Requirement. Before any connection is made to the District's System, the person requesting such connection shall provide to the District a copy of: (1) any necessary development or building permit from the County; or (2) a waiver for any development or building permit from the County.

B. Platting Requirement. Prior to initially connecting to the District's System, a User shall submit to the District's operator proof that the User's property has been platted in accordance with the subdivision ordinances of the City of Houston. Acceptable proof of platting includes a copy of the recorded plat, or a certificate from the City of Houston that the property has been platted or that the property is legally exempt from the platting process.

Section 4: Regulatory Assessment. Pursuant to the Texas Water Code, each user of the District's water and sanitary sewer system is hereby assessed a charge of one-half of one percent of the District's charge for water and sewer service. This assessment is included in the rate schedules listed below and will be forwarded to the Texas Commission on Environmental Quality, as required by the Texas Water Code, and used to pay costs and expenses incurred in its regulation of water districts.

Section 5: Water and Sewer Rates.

A. Water Rates. Builders and after initial occupancy, each Single Family Residential or Non-Single Family Residential User within the District shall be charged for service on a monthly basis according to the volume of water used and in accordance with the following schedule:

<u>Amount of Payment</u>	<u>Water Usage</u>
\$19.25	Minimum monthly charge per equivalent single family connection ("ESFC") [as determined by the District's engineer] regardless of usage
	The first 1,000 gallons of metered water usage for each ESFC shall be included in the User's base fee

\$2.45	Water rate per 1,000 gallons of metered water usage for each ESFC from 1,001 gallons to 10,000 gallons, inclusive
\$2.75	Water rate per 1,000 gallons of metered water usage for each ESFC over 10,000 gallons

B. Sewer Rates. Users shall be billed for sewer service on a monthly basis in accordance with the schedule set forth below. The minimum charge includes a regulatory assessment fee to be paid by all Users and submitted to the TCEQ. There shall be no proration for partial monthly use.

<u>Amount of Payment</u>	<u>Sewer Usage</u>
Single Family Residential Users	\$32.00 per month per ESFC regardless of usage, plus \$1.60 per 1,000 gallons per ESFC in excess of the first 1,000 gallons
All other Users	\$18.00 per month per ESFC [as determined by the District's engineer], plus \$1.60 per 1,000 gallons per ESFC in excess of the first 1,000 gallons

C. Public Space User. Each Public Space User within the District shall be charged for service on a monthly basis according to the volume of water used at a rate of \$2.70 per 1,000 gallons of water usage. In order to promote conservation of the District's water supply, however, Public Space Users will pay an increased rate to be set by the District if the District determines that the Public Space Users' water usage is excessive, inefficient, and/or wasteful.

D. Garbage. The District will provide garbage collection and disposal service to all Single Family Residential Connections. There will be no additional charge for such services.

Section 6: Temporary Water Service. The District's operator shall be authorized to make a temporary connection to any fire hydrant or flushing valve upon receipt of a written request for temporary water service. Such temporary service shall be supplied only through a District meter installed by the District's operator. The person applying for temporary water service shall be required to deposit \$800.00 with the District to secure the payment for water supplied by the District and the safe return of the District's meter. Upon receipt of full payment for temporary water used and return of the meter in good condition, the deposit will be returned; provided, however, any damage to the meter or unpaid balances will be paid from the deposit. The fee for temporary water service shall be

\$50.00 for costs of installation plus \$2.70 per 1,000 gallons of water delivered through the meter.

Section 7: Surcharge for Service. In fairness to all users of the District's System, and to honor its contractual obligations and commitments, the District has the right to monitor the use of water and the discharge of sewage to determine if users are exceeding the amount of capacity committed to serve their land or buildings. As one method of enforcement, the District has determined to reserve the right to impose a surcharge on any user who uses water or discharges sewage in excess of the amount reserved to such user or tract. Accordingly, in addition to the other charges specified herein, the District has the right to impose an additional charge of \$0.05 per gallon of water used in excess of one hundred ten percent (110%) of the amount of capacity reserved to the tract by any utility commitment letter.

Section 8: Plumbing Regulations: Prohibition against Cross-Connections and Unacceptable Plumbing Practices; Penalty for Violation.

Pursuant to Chapter 290 of the Texas Administrative Code, the District adopts the following plumbing regulations, which apply to all users of the District's potable water distribution system.

A. Service Agreements. Prior to receiving service from the District to new construction or to buildings containing new plumbing fixtures, or prior to having service reconnected to any building after termination of water service, a user must execute a Service Agreement in the form attached to this Rate Order as Exhibit "B."

B. Plumbing Fixtures. A user is not permitted to install any plumbing fixture which is not in compliance with a state approved plumbing code and the plumbing code, if any, required by the city in whose jurisdiction the District is located.

C. Prohibition on Use of Specified Materials. The use of the following plumbing materials are prohibited in any and all newly installed improvements or materials used to repair existing improvements connected to the District's water system after January 4, 2014:

- (1) Any pipe or pipe fitting which contains more than a weighted average of 0.25% lead; and
- (2) Any solder or flux which contains more than 0.2% lead.

D. Prohibition Against Water Contamination. No direct connection between the District's potable water distribution system and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the District's potable water distribution system by the installation of an air-gap or an appropriate backflow

prevention device in accordance with state plumbing regulations. In addition, all pressure relief valves and thermal expansion devices must be in accordance with state plumbing codes and the plumbing code, if any, required by the city in whose jurisdiction the District is located.

E. Backflow Prevention Assemblies. All sprinkler systems, spas and pools must have backflow prevention assemblies installed by the User at the User's sole cost and expense. In addition, the District, in its sole discretion, may require a non single family residential User to install a backflow prevention assembly at any meter(s) servicing such a User's property. The District, in its sole discretion, also may require any User to install other backflow prevention assemblies at any fixture in order to prevent contamination of the District's potable water distribution system or if the User's plumbing system poses a high health hazard. A high health hazard is defined by the Texas Natural Resource Conservation Commission as a "cross-connection, potential cross-connection, or other situation involving any substance that could cause death, illness, spread of disease, or has a high probability of causing such effects if introduced into the potable drinking water supply." If the District determines that a User must install a backflow prevention assembly as a protection against a high health hazard, the backflow prevention assembly used must comply with a state approved plumbing code and the plumbing code, if any, required by the city in whose jurisdiction the District is located, and must be tested and certified at least annually by a recognized backflow prevention assembly tester. The District's operator must install and inspect this device.

The User is responsible for insuring that all backflow prevention assemblies are tested. The District's operator will perform this test for a cost of \$75.00, which is due and payable prior to the test. If the District requires the installation of a backflow prevention assembly in order to prevent a serious threat to the District's public water supply, then the District, in its sole discretion, may immediately terminate service to the User. In that event, service will not be restored until the backflow prevention assembly has been installed and tested and a signed and dated original of a "Backflow Prevention Assembly Test and Maintenance Report" in the form attached to this Rate Order as Exhibit "C" has been completed by the District's operator.

If the District determines that a backflow prevention assembly must be installed pursuant to this Rate Order for reasons other than to eliminate a serious threat to the District's public water system, the User must install the backflow prevention assembly within five (5) working days after receipt of notice from the District that such installation is required. The District's operator must sign and date the "Backflow Prevention Assembly Test and Maintenance Report" in the form attached to this Rate Order as Exhibit "C". If the User fails to arrange for the testing within this time, the District, in its discretion, may terminate service to the User pursuant to the terms of this Rate Order. The District's operator will retain such reports for a minimum of three (3) years.

F. Customer Service Inspections. A customer service inspection is required prior to the time the District (i) provides continuous water service to new construction, (ii) provides water service to private plumbing facilities that have been added to existing construction or materially improved or corrected, or (iii) continues service to a User when the District has reason to believe that cross-connections or other unacceptable plumbing practices exist. Customer service inspections include an inspection prior to the pouring of the slab, an inspection prior to the installation of the sheet rock, and a final plumbing inspection. The District's operator will perform this customer service inspection. The cost for new construction will be \$30.00 for inspection prior to pouring of the slab; \$30.00 for inspection prior to the installation of sheet rock; and \$55.00 for the final plumbing inspection for a total of \$115.00. The cost for existing residential construction will be determined on a time and material basis. The costs for performing inspections on commercial construction will be determined on a case-by-case basis, based upon the quantity and complexity of the construction. All fees relating to the customer service inspections shall be paid by the User prior to the inspection, and if the inspection is made in connection with new construction, the fee will be collected with the tap fee. Re-inspections are performed at the same cost as the original inspection.

The District's operator will complete, sign, and date a "Customer Service Inspection Certification" in the form attached to this Rate Order as Exhibit "D". The District's operator will retain such inspection certifications for a minimum of ten (10) years. If the User requests a copy of the certification, the District's operator will provide the User with the Certification. In connection with the customer service inspection, the User shall allow its property to be inspected by the District's operator or its subcontractors during normal business hours for possible cross-connections and other unacceptable plumbing practices which violate this Rate Order. Hereafter, the District's operator or its subcontractors may, at the discretion of the District and/or the District's operator, periodically inspect a User's plumbing system during normal business hours for the purpose of identifying possible cross-connections and other unacceptable plumbing practices which violate this Rate Order.

G. Prohibition Against Cross-Connections. No cross-connection between the District's potable water distribution system and a private water system is permitted. Where an actual air gap is not maintained between the public water supply and a private water supply, an approved reduced pressure-zone backflow prevention assembly must be properly installed and such assembly must be annually inspected and tested by a certified backflow prevention device tester. A list of certified backflow prevention device testers may be obtained from the local office of the TNRCC. By accepting service from the District, all users agree to allow such annual inspection and testing of backflow prevention assemblies to take place during normal business hours. If any User refuses to allow such annual inspection and testing, service to such user will be discontinued until such inspection and testing is completed.

No connection which allows water to be returned to the District's potable water distribution system is permitted. This includes, but is not limited to, any device pursuant to which water is removed from the District's potable water distribution system, circulated through a user's system for condensing, cooling and heating of fluids or industrial processes, including but not limited to a heat exchange system, and routed back to the District's potable water distribution system.

H. Notice of Unacceptable Plumbing Practices. The District shall notify the user in writing of any cross-connection or other unacceptable plumbing practice which has been identified during the customer's service inspection, the final plumbing inspection, any periodic reinspection, or any other inspection. At its sole cost and expense, the user shall immediately correct any unacceptable plumbing practice on its premises and properly install, test and maintain any backflow prevention device required by the District within two (2) working days of receipt of notice of the improper cross-connection. The user shall provide copies of all testing and maintenance records on such devices to the District within three (3) working days of the testing or maintenance. If the user fails to correct the noted unacceptable plumbing practice, the District may immediately terminate water service or, at the User's sole cost and expense, eliminate the cross-connection or correct the unacceptable plumbing practice.

I. Penalty for Violation. The failure of a user to comply with the terms of this Section 8 will be considered a violation of this Rate Order. If such a violation occurs, or if the District determines the existence of a serious threat to the integrity of the District's water supply, the District, in its sole option, may, in addition to all other legal remedies available to it, including those remedies set out in the Section entitled Penalties for Violation, immediately terminate service or, at the user's sole cost and expense, install the plumbing fixtures or assemblies necessary to correct the unacceptable plumbing practice. If the District terminates service in order to preserve the integrity of the District's water supply, service will be restored only when the source of the potential contamination no longer exists or until additional safeguards have been taken. Any and all expenses associated with the enforcement of this Section shall be billed to the User.

Section 9: Grease Trap Inspection. The District shall require the owner of any establishment that discharges certain types of waste into the District's sanitary sewer system to install a trap to prevent the entry of the discharge into the system and a sampling well to allow for periodic sampling of the discharge from the establishment. Discharges requiring a trap and sampling well include, but are not limited to, grease, oil, sand, or flammable waste. Other discharges requiring a trap and sampling well shall be determined by the District's operator and engineer on a case-by-case basis based on the operator's and engineer's conclusion that the discharge in question will harm the District's facilities if allowed to enter the District's system.

Any person responsible for a discharge requiring a trap and sampling well shall provide equipment and facilities of a type and capacity approved by the District, locate the trap in a manner that provides ready and easy access for cleaning and inspection, and maintain the trap in effective operating condition. For restaurants and similar developments, the District will require as a minimum one trap and one sampling well per restaurant. Each trap and sampling well required to be installed hereunder shall be subject to initial inspection and approval by a District representative; the fee for this initial inspection shall be \$50.00.

For each grease trap installed, there shall be charged a monthly flat rate inspection fee of \$50.00. If the operator is required to reinspect the grease trap, such reinspection shall be charged at the same \$50.00 rate. It shall be the responsibility of the owner of the property to maintain and service the trap(s). All traps shall be cleaned a minimum of once a month. The District has the right, in its sole discretion, to require the owner to pretreat the discharge at the owner's expense.

Section 10: Swimming Pool Inspections and Fee. Every user who plans to construct or install a swimming pool within the District shall notify the District's operator in writing prior to commencing construction of the pool. Upon notification by the user of the intention to construct or install a swimming pool, the user shall pay an inspection fee of \$50.00. After the notification is received, the District's operator shall ensure that all drains from the swimming pool are connected to the District's sanitary sewer system. After the drains have been installed, the user shall notify the District's operator, who shall make an inspection of all swimming pool drains to verify that the proper connection is made, before service is authorized for said swimming pool.

Section 11: Quality of Sewage.

A. Domestic Waste. Only ordinary liquid and water-carried waste from domestic activities that is amenable to biological treatment and that is discharged from sanitary conveniences of buildings connected to a public sanitary sewer system shall be discharged into the District's sanitary sewer lines. Waste resulting from any process of commerce or industry may not be discharged into the District's sanitary sewer lines except as authorized pursuant to subsection B below.

B. Commercial and Industrial Waste. All discharges other than waste described in subsection A are prohibited unless the user has applied to and received written authorization from the District for such discharge. The applicant must file a statement with the District containing the following information:

1. Name and address of applicant;
2. Type of industry, business, activity, or other waste-creative process;
3. Quantity of waste to be discharged;

4. Typical analysis of the waste;
5. Type of pretreatment proposed, and
6. Such other information as the District may request in writing

The District shall have the right to reject any application for discharge of non-domestic waste into the District's sanitary sewer lines if the District determines in its sole discretion that the proposed discharge may be harmful to the District's sanitary sewer system or the environment. The District also shall have the right in approving any application for the discharge of non-domestic waste to impose any limitations on such discharge that the District determines in its sole discretion to be necessary to protect the District's sanitary sewer system or the environment.

C. National Categorical Pretreatment Standard. If a user is subject to a national categorical pretreatment standard pursuant to regulations promulgated by the Environmental Protection Agency under Section 307 of the federal Clean Water Act, the user is prohibited from discharging pollutants into the District's sanitary sewer system in violation of applicable categorical pretreatment standards.

D. District Testing; Pretreatment. The District shall have the right to sample and test any user's discharge at the discretion of the District's operator, with no limit as to the frequency of the tests, and to charge the user for the District's cost of such sampling and testing. The District also shall have the right to require pretreatment, at the user's expense, of any discharge of non-domestic waste if the District determines in its sole discretion that pretreatment of such waste is necessary to protect the District's sanitary sewer system or the environment, even if pretreatment is not otherwise required pursuant to subsection C above.

Section 12: Prohibited Discharges and Unauthorized Materials

A. Sanitary Sewer Facilities. All waste discharged into the District's sanitary sewer system shall conform to the requirements hereof and shall consist only of waste amenable to biological treatment or other processes employed by the District from time to time. No person may discharge into the District's sanitary sewer system any waste which by itself or by interaction with any other waste may:

- (1) Injure or interfere with the processes or physical properties or facilities of the District's sanitary sewer system;
- (2) Constitute a hazard to humans or animals; or
- (3) Create a hazard in receiving waters of the effluent of the sanitary sewer system.

Discharges prohibited by the foregoing parameters include, but are not limited to, materials which exert or cause: excessive discoloration or concentrations of suspended solids, or chlorine demands in excess of the ability of the sanitary sewer system to adequately treat and dispose of such waste in compliance with applicable regulatory requirements. Prohibited discharges also include, but are not limited to, the following materials which if present in sufficient quantities, may cause or result in a violation of the foregoing parameters: ashes, cinders, sand, mud, grass clippings, straw, shavings, metal, glass, rags, tar, plastic, wood or wood products, oil, greases, garbage (other than properly shredded garbage), paper or paper products, chemicals, paint residues, or bulk solids.

B. Drainage Facilities and Unauthorized Materials. For the purpose of providing drainage capacity and services to drain the land located within its boundaries, the District has constructed, owns and operates drainage ditch and storm sewer system (collectively, the "Drainage Facilities"). It is essential that the District maintain the Drainage Facilities and ensure that they are kept clear of any objects or debris that may block them and interfere with their intended purpose or affect the quality of the storm water discharged by the District. The District's Drainage Facilities are solely allowed to carry storm water rainfall and anything deposited into such system shall be unauthorized. Anyone who disposes, or is responsible for the disposal of any substance other than storm water, including but not limited to, trash, household or other hazardous materials, construction materials or debris, dirt, sediment chemicals, other debris, or grass, tree and yard clippings, or anything else prohibited under regulations implemented pursuant to the Clean Water Act, the Federal Water Pollution Control Act or any state equivalent act, or that might potentially impede the free flow of storm water runoff or affect the quality of storm water discharged by the District in the Drainage Facilities or the District's Rights-of-Way ("Unauthorized Materials") will be responsible for (1) removing such Unauthorized Materials and restoring the Drainage Facilities to their prior condition or (2) reimbursing the District for all costs of removal and restoration if the District opts, at its sole discretion, to perform such work. In addition to or in place of the foregoing, the District may assess a penalty against the violator as set forth in the section entitled Penalties for Violation. A person's first violation of this section shall result in a warning from the District rather than the imposition of a penalty as set forth in the section entitled Penalties for Violation. However, such a warning shall not relieve the person who violated this section from the person's responsibility for removing the Unauthorized Materials and restoring the drainage facilities or reimbursing the District for performing the removal and restoration, if the District opts, in its sole discretion, to perform the work.

Section 13: Obstructions. After any District facility has been set, the User shall at all times keep the area in, around and upon the District's facilities, easements and property under customer's control free from rubbish or obstructions of any kind. Failure to keep the meter and box and District easements and property under User's control free from rubbish or obstructions shall result in the assessment of charges to remove said obstructions and / or disconnection of water service.

Section 14: Damage to District Facilities Any person who damages any of the District's facilities, property or easements directly or indirectly must pay to the District the District's cost for repairing such District facilities, property or easements. If the District's facilities, property or easements are damaged by a builder or contractor hired by property owner or User in connection with the provision of services to the Owner or User, the Owner or User is responsible for paying to the District the cost of repairing such District facilities, property or easements. The District reserves the right to terminate water service to any builder, owner or User if repair costs are not paid to the District. Additionally, any person who damages District facilities, property or easements, is subject to the penalties described in the section entitled Penalties for Violation.

Section 15: Unauthorized Operation of Motor Vehicles On or Near Public Facilities. Pursuant to Section 49.217 of the Water Code, the unauthorized operation of any motor vehicle, as defined in section 49.217, on a levee, in a drainage ditch, or on land adjacent to a levee, canal, ditch, exposed conduit, pipeline, pumping plant, storm water facility, or other facility for the transmission, storage, treatment or distribution of water, sewage, or storm water owned or controlled by the District is a Class C misdemeanor, except that subsequent offenses are a Class B misdemeanor. In addition to the penalties provided in section 49.217, any person who operates a motor vehicle in violation of this section shall pay the District the cost of repairing any damage done to the District's facilities, property or easements. The District reserves the right to discontinue service to an individual who fails to pay the District any charges for the repair of such damages.

Section 16: Responsibilities of Individuals Engaged in Construction or Maintenance Activities

A. Construction Debris and Street Cleaning. The builder, developer and property owner will be responsible for ensuring that the street in front of their lots stays free from the accumulation of trash, sediment, dirt, and all other debris that result from construction and maintenance activities. The builder, developer, and property owner are responsible for observing all signs and for enforcing the District's Rate Order with all employees, suppliers, contractors and subcontractors. Washing sediments into the street, drainage ditches, sewer inlets or any other storm water facility ("Drainage Facilities") or a driveway or sidewalk that drains into a Drainage Facility is prohibited by the District and the EPA. Street cleaning will be done by street scraping or by using a vacuum sweeper. The accumulation of any such trash, sediment, dirt or any other debris or the washing of trash, sediment, dirt, and all other debris into a Drainage Facility is considered a violation of this Rate Order.

B. Concrete Wash-Out Site. Each builder will provide a single, dedicated concrete wash-out site on one of the builder reserved lots, for use during construction. The site selected will be reviewed with the District, and an identification sign must be erected on the site by the builder prior to use.

The builder will clean and maintain the site as necessary and is responsible for the proper and legal disposal of concrete. Silt fencing must be installed along the curb in front of the wash-out site as well as an access pad.

The builder will inform its subcontractors of the location and purpose of the concrete wash-out site.

C. Other Builder Responsibilities. The builder, developer, and property owner are responsible for observing all signs and for enforcing the District's Rate Order with all employees, suppliers, contractors and subcontractors. Builders are responsible for conducting regular inspections of their erosion control measures to insure they are functioning properly.

D. Failure to Comply. Failure to comply with the terms of this section will be considered a violation of this Rate Order and will subject the violator to the penalties set forth in the section entitled Penalties for Violation. Further, the District, at its sole option, may perform or have performed any clean-up necessitated by the violation of this section and backcharge the builder for the cost of the clean-up. A person's first violation of this section shall result in a warning from the District rather than the imposition of a penalty as set forth in the section entitled Penalties for Violation. However, such a warning shall not relieve the person who violated this section from the person's responsibility for performing any clean-up necessitated by the violation of this section or reimbursing the District for such clean-up, if the District opts, in its sole discretion, to perform the work.

E. Builder Deposits. Upon first application for a Customer Connection, the Builder shall pay a one time security deposit in the amount of \$1,000.00 (which deposit shall apply to all connections of such Builder, whether one or more) (the "Builder Deposit"). The Builder Deposit is solely to secure the payment of costs to repair any District facilities damaged by the Builder or other parties during the construction of a house, building or other improvement on the applicable property ("Builder Damages"). The Builder shall be held responsible for any Builder Damages and shall reimburse the District for all costs incurred in repairing the Builder Damages. In the event of failure of the Builder to pay all Builder Damages, and said Builder Damages remain delinquent for more than 90 days; the District may subject the Builder to termination of existing service taps and withholding of additional service taps.

Section 17: Prohibition of Dumping. The unauthorized dumping of trash, sediment, dirt, and all other debris in or on District facilities, property, easements and rights-of-way is prohibited. A person who violates this section and developers, builders and property owners who hire such a person are subject to the penalties described in the section entitled Penalties for Violation. In addition, the District reserves the right to remove the unauthorized materials and backcharge the person who dumped such material and the builder, developer or property owner who hired such person the cost of removing such unauthorized material.

Section 18: Maintenance and Repair. It shall be the responsibility of each user to maintain the water and sewer lines from the point of connection to the District's System to the building served

Section 19: Termination

The District shall bill each customer monthly, and all bills shall become delinquent if not paid by the 20th day of the following month. A one-time late charge equal to ten percent (10%) of the unpaid balance will be added to all bills outstanding after such 20th day in order to cover the District's costs of collection of such delinquent amount

The District reserves the right to terminate service to any customer whose account remains delinquent on the 20th day of the month following the original bill. In such event, service be disconnected only after providing written notice to the customer in their current water bill at the address of the connection and providing the customer with an opportunity to contest, explain, or correct the charges, services, or disconnection. The written notice shall inform the customer of the amount of the delinquent payment, the date service will be disconnected if payment is not made, the name and telephone number of the billing company, the date, time, and place of the next scheduled meeting of the Board of Directors, and of the opportunity to contest, explain, or correct the charges, services, or disconnection by presenting in person or in writing such matter to the Board of Directors at the next scheduled meeting as shown on the notice. The date specified for disconnection shall be after the next scheduled Board of Directors meeting as shown in the notice. Service shall be discontinued to any accounts that remain delinquent after the meeting date and for which arrangements for payment satisfactory to the Board of Directors of the District have not been made. If the customer appears before the Board of Directors or in writing, the Board shall hear and consider the matter and inform the customer of the Board's determination by sending written notice by first class United States mail to the customer at the address of the connection.

Any person, corporation or other entity who violates any provision of this Rate Order, in addition to being subject to the penalties described in this Rate Order, shall be subject to having service terminated; provided, however, that prior to disconnecting service for such violations, the District shall give written notice by first class mail or otherwise, to such person, corporation or other entity, of the pending disconnection, and shall give such person, corporation or other entity the opportunity to contest, explain or correct the violation of the Rate Order at a meeting of the Board of Directors of the District. Such disconnection shall be in addition to penalties that may be imposed by the District under this Rate Order.

If service to a User is disconnected for nonpayment of a delinquent bill or for any cause legally authorized, a reconnection fee of \$75.00 plus a security deposit, payable in accordance with the terms of this Rate Order after service is terminated, shall be paid prior to service being restored. Payment of fees and charges under this Section must be in the form of cash, cashier's check, or money order.

In the event that the District's operator removes a User's meter due to unauthorized reconnection of service subsequent to its termination by the District, a reinstallation fee of \$150.00 shall be paid prior to service being restored, which fee is in addition to any other fees imposed.

Any User who requests the District's operator to disconnect or reconnect service during non-business hours (i.e. Saturdays and Sundays, before 7:30 a.m. and after 4:00 p.m. on weekdays, and holidays) will be charged an after-hours service charge of \$40.00.

Any User may pay the monthly water and sewer bill via the payment options provided through the District and its operator including but not limited to, online check and credit card payments, check and credit card payments processed over the telephone, and other payment options as they become available. Certain payment options are made available through service providers who may charge Users a convenience fee in connection with some payment options. Such convenience fees are the sole responsibility of the User and are separate from any amount owed by the User to the District. Non-payment of any such convenience fee shall subject the User to termination of service in accordance with this Order. If any User payment is refused or returned by the processing financial institution, the District will charge the User a return item fee of \$25.00. Acceptable payment methods for delinquent accounts may be restricted as specified elsewhere in this Order.

Section 20: Termination of Service Upon Request of User. Whenever a User of District services temporarily or permanently abandons the structure or building receiving service and no longer wishes to be serviced, he or she shall notify the District's operator at least two (2) days prior to the time he or she desires service to be discontinued. The District shall charge such User \$30.00 for discontinuing and \$30.00 for restoring service if such service is discontinued or restored at the request of the User and he or she is not delinquent in the payment of any bill at the time of the request.

Section 21: Returned Check Charge. The District will charge a \$25.00 fee to any customer for each check given to the District for payment that must be returned for any reason. Payments attempted to be made by a check which is returned shall be considered delinquent unless cash or certified funds are presented to the District for payment within the time period required by the section entitled Termination.

Section 22: Security Deposit. From October 24, 2018, forward, a one-time deposit of \$100.00 per equivalent single family residential connection shall be due prior to

commencement of service for each user. In addition, prior to any reconnection following termination of service pursuant to Section 19 hereof, an additional deposit of \$75.00 per equivalent single family residential connection shall also be required until the maximum deposit of \$500 is accrued. A separate deposit shall be required from all users for each account. No interest shall be paid upon said deposit. When the account is closed, the District will refund the deposit (less final bill) if such amount to be refunded is \$5.00 or greater. Deposit balances of less than \$5.00 shall be retained by the District to cover the District's costs of closing the account.

Section 23: Transfer Fee. A fee of \$25.00 shall be charged by the District to cover the expense to the District for the transfer of water and sewer service from the initial user to each subsequent user.

Section 24: Easements. Before service is commenced to any user, the person requesting such service shall grant an easement of ingress and egress to and from the meter for such maintenance and repair as the District, in its judgment, may deem necessary.

Section 25: Pressure of Water. The District does not and will not guarantee to any user a specific quantity or pressure of water for any purpose whatsoever. The District is required only to furnish a connection to its System and in no case shall the District be liable for the failure or refusal to furnish water or any particular amount or pressure of water.

Section 26: No Free Service. No free service shall be granted to any user for services furnished by the District's System whether such user is a charitable or eleemosynary institution, a political subdivision or municipal corporation, and all charges for service shall be made as required herein.

Section 27: Required Service. No service shall be given from the District's System unless such User agrees to take both water and sewer service, except in those instances where the Board determines that both services are not necessary for the preservation of the sanitary condition of water within the District.

Section 28: Stormwater Quality Compliance. Consistent with the requirements set forth in the Texas Pollutant Discharge Elimination System General Permit Number TXR040000, the District has a Stormwater Management Program (SWMP) in effect. In accordance with the SWMP, the District has adopted a Stormwater Guidance Manual setting forth the rules and regulations with which all the storm sewer users of the District's stormwater system must comply.

Section 29. Penalties for Violation. Any person, corporation or other entity who

- A. violates any Section of this Order; or
- B. makes unauthorized use of District services or facilities; or
- C. causes damage to District facilities by using such facilities in a manner or for a purpose contrary to the purpose for which such facilities were designed; or
- D. uses or permits the use of any septic tank or holding tank within the District; or
- E. violates the District's Industrial Waste Order; or
- F. violates the District's Rules and Regulations Governing Sewer Lines and Sewer Connections; or
- G. constructs facilities or buildings which are not included in the approved plans for development as provided by this Rate Order; or
- H. violates the District's Drought Contingency Plan; or
- I. Violates the District's Rules and Regulations Governing Use of District Detention Facilities; or
- J. violates the Rules and Regulations contained in the District's Stormwater Guidance Manual

shall be subject to a penalty up to \$10,000 and/or disconnection of water service, after being given notice and an opportunity to be heard by the Board, for each breach of the foregoing provisions. Each day that a breach of any provision hereof continues shall be considered a separate breach.

This penalty shall be in addition to the other penalties provided by the laws of the State and to any other legal rights and remedies of the District as may be allowed by law.

Section 30: This Amended Rate Order and all of the provisions herein apply only to utility service to land within the District. The Board of Directors shall determine whether to provide any utility service to areas outside of the District and the terms and conditions for such service

Section 31: This Amended Rate Order supersedes any rate orders previously adopted by the Board of Directors and is effective as of the date of its adoption.

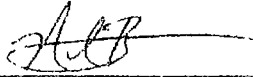
EXECUTION PAGE FOLLOWS

ADOPTED this 24th day of October, 2018.

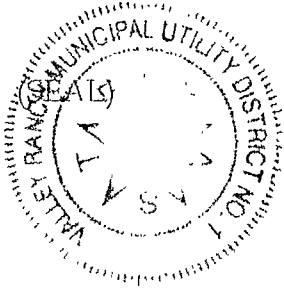


President, Board of Directors

ATTEST:



Secretary, Board of Directors



CERTIFICATE FOR ORDER

THE STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

I, the undersigned officer of the Board of Directors of Valley Ranch Municipal Utility District No. 1 hereby certify as follows:

1. The Board of Directors of Valley Ranch Municipal Utility District No. 1 convened in regular session on the 24th day October, 2018, outside the boundaries of the District, and the roll was called of the members of the Board:

Chris Baughman	President
Kyle Hoegemeyer	Vice President
David Knighten	Assistant Vice President
Neal J. Brussell	Secretary
Corey Mills	Assistant Secretary

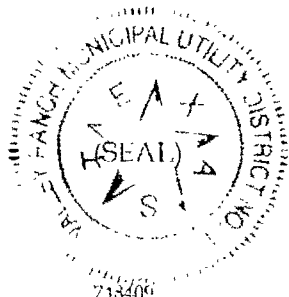
and all of said persons were present except Director(s) _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting: a written

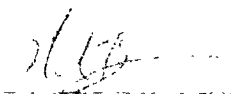
AMENDED RATE ORDER

was introduced for the consideration of the Board. It was then duly moved and seconded that the order be adopted, and, after due discussion, the motion, carrying with it the adoption of the order, prevailed and carried unanimously.

2. A true, full, and correct copy of the aforesaid order adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; the action approving the order has been duly recorded in the Board's minutes of the meeting; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the aforesaid meeting, and that the order would be introduced and considered for adoption at the meeting, and each of the officers and members consented, in advance, to the holding of the meeting for such purpose; the meeting was open to the public as required by law; and public notice of the time, place, and subject of the meeting was given as required by Chapter 551, Texas Government Code, and Section 49.063, Texas Water Code.

SIGNED AND SEALED on the 24th day of October, 2018.





Secretary, Board of Directors

EXHIBIT "A"

STANDARD SANITARY SEWER USAGE FACTORS

UNIT VALUE BASED ON THE FOLLOWING DATA:

A) Residential Development	
Single Family Residential	315 GPD/Unit
Townhouse/Patio/Cluster Homes	315 GPD/Unit
Duplex/Triplex	315 GPD/Unit
Fourplex	270 GPD/Unit
Condominium	270 GPD/Unit
Apartment with Washer/Dryer	270 GPD/Unit
B) Institutional Development	
Church	
Auditorium	1 GPD/Seat
Administration Building	15 GPD/Capita
Day School Classroom	10 GPD/Capita
School	
Unspecified	15 GPD/Capita
Elementary	10 GPD/Capita
Day Care Center	10 GPD/Capita
Residential	100 GPD/Capita
Dormitory	90 GPD/Capita
Hospital	200 GPD/Bed
Nursing Home	90 GPD/Bed
Prison	250 GPD/Capita
C) Office Development	
Office Building	0.10526 GPD/Square Feet
D) Retail Development	
Retail Store	0.07 GPD/Square Feet
E) Restaurant Development	
Average Full Service 10-12 Hours	35 GPD/Seat
Twenty Four (24) Hour Full Service	50 GPD/Seat
Tavern or Lounge (No Food Service)	10 GPD/Seat
Soda Fountain	10 GPD/Seat
Fast Food Paper Plate Service	10 GPD/Seat
Monterey House	13 GPD/Seat
Cafe	20 GPD/Seat
Bakery	0.225 GPD/Square Feet
Pizza Parlor	8 GPD/Seat
Fast Food (No Seating)	0.07 GPD/Square Feet

E	Courtroom Development	
	Beauty Shop	150 GPD/ Shampoo Bowl
	Barber Shop	150 GPD/ Shampoo Bowl
	Supercuts Barber Shop	17 GPD/ Shampoo Bowl
G	Cleaning Development	
	Washateria (Based on 50 G/ Wash and 10 washes/ day)	500 GPD/ Machine
	Car Wash	
	Individual Bay, Self-service w/o reclaim (wand type)	300 GPD/ Bay
	Individual Bay, Self-service with reclaim (wand type)	0 GPD/ Bay
	Commercial w/ o reclaim (tunnel type)	1200 GPD
	Commercial with reclaim (tunnel type)	0 GPD
H	Recreational Development	
	Theatre	
	Indoor	5 GPD/ Seat
	Drive-In	5 GPD/ Space
	Skating Rink	5 GPD/ Capita
	Bowling Alley	200 GPD/ Lane
	Swimming Pool	5 GPD/ Swimmer
	Stadium	3 GPD/ Seat
	Country Club	100 GPD/ Member and 25 GPD/ Guest
	Health Club/ Spa w/ swimming pool and/ or whirlpool	10 GPD/ Member/ Day
	Health Club/ Spa w/ out swimming pool and/ or whirlpool	5 GPD/ Member/ Day
	Racquetball Club	160-25 GPD/ Court
I	Service Station Development	
	Station with service (maximum of 1000 GPD if no car wash)	500 GPD/ Island
	Self Service Station	0.07 GPD/ Square Feet
J	Hotel/ Motel Development	
	Hotel/ Motel (excluding restaurant)	79 GPD/ Room
	Hotel/ Motel (w/ kitchenettes)	135 GPD/ Room

K)	Industrial Development	
	Warehouse	0.03 GPD/Square Feet
	Factory w/ shower	25 GPD/Capita
	Factory w/o shower	20 GPD/Capita
	Factory Residential	80 GPD/Capita
	Industrial Laundry	300 GPD/50 lbs
	Clothes or	5000 GPD/Machine
	Manufacturing	0.05 GPD/Square Feet
L)	Transportation Terminal Development	
	Transportation Terminal (excluding restaurants)	5 GPD/Passenger
M)	Other	
	Film Processor	1260 GPD/Processor
	Fire Station	90 GPD/Capita
	Funeral Homes	675 GPD/Body
	Technicolor One Hour Photo Store	1000 GPD/Store
	Toilet	80 GPD/Toilet